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October 20, 1994

CAMBRIDGE, MA.

Cambridge City Council
City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

To the Honorable; the City Council:

When I spoke to oppose renewal of the city manager's contract at the special council meeting Wednesday night, I did not realize two things. The first is that another shoe had dropped in the wide circle of investigations connected to Councillor Walsh: "Ex-chief charged with fraud," The Boston Globe, October 20, 1994, p. 30 (copy attached).

In this regard and because a number of current councillors may not have read it, I enclose the 1993 Cambridge Tenants Union public evaluation of the city manager and draw particular attention to the section entitled, "The Ethical Morass."

Around the time CTU's evaluation was filed and became public, the Executive Director of the Rent Board, Mr. Morris, personally spent countless hours at the registry of deeds investigating condominium owner-occupants outside of normal Board procedural channels. Somehow, landlords quickly knew exactly what was going on. Morris' work played right into their hands, and landlords have run with the political football he handed them ever since. The weird atmosphere all this created in landlord and condo-owner circles may also have led, in a few months, to filing the initiative which became Question 9.

At the Rent Board, however, the condo "crack-down" atmosphere dissipated quickly. The Board stalled real cases, and rapidly backed off on pursuing others once this council reinstalled Mr. Healy, and Mr. Healy made it clear that Mr. Morris would remain at rent control.

Who asked Mr. Morris to make his irregular "investigations" and why were they handled out of channels in a manner destructive to a well-managed rent control system? And, when it is generally acknowledged that Mr. Morris has not demonstrated good management skills as a department head, why is he still on the job?

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The second matter is that for ten of the twenty months since CTU's 1993 evaluation, a landlord representative on the Rent Board and a landlord who is one of the original twelve signers and sponsors of Question 9 have been allowed to work secretly on a new regulation designed to gut tenant protections in capital improvement rent increase cases. No tenant representative and no tenants participated in generating this proposed regulation, which was presented Wednesday night. Mr. Morris was apparently part of this scheme, because normal staff procedures for proposing new regulations do not seem to have been followed.

Again, it is necessary to ask why this occurred and why rent control is once again being destabilized when tenants are fighting to protect their homes from Question 9?

With actions like this occurring on Manager Healy's watch, it does not seem prudent to renew his contract eight months before it is necessary to do so. If Councillors are concerned about how Mr. Healy will manage the aftermath of Question 9, especially in view of what is already going on at the Rent Board, then I respectfully suggest that the best handle, perhaps the only real handle, available to the pro-rent control majority of this city council, is the contract handle.

May a majority of this city council have the good sense to use it!

Sincerely,



William S. Noble

188 Franklin St. #1
Cambridge, MA 02139

Ex-chief charged with fraud

Pledges to aid US corruption probe of Cambridge police

By Matthew Breilis
GLOBE STAFF

Former Cambridge Police Chief Anthony G. Paolillo was charged in US District Court yesterday with one count of bank fraud and signed a plea agreement pledging to cooperate in a federal investigation into

corruption in the Cambridge Police Department.

Paolillo, 68, of Belmont, chief of the Cambridge force from 1981 to 1991, is charged with lying about a Dime Savings Bank of New York loan of \$48,000 he obtained in 1987 with the assistance of City Councilor William Walsh.

Paolillo's attorney, Terry Segal, said yesterday his client will plead guilty, but a sentencing date has not been set.

The FBI and the US attorney's office have been investigating the department in connection with loans obtained by officers to buy condominiums, sources said. Authorities are also investigating the membership of officers in social clubs with video poker machines and other video games that provide payoffs to patrons, the sources said.

Cambridge Police Superintendent Walter Boyle, the acting commissioner, declined comment on the charge against Paolillo.

Boyle said several officers have been called to FBI offices in Boston to talk with investigators and "the majority have cooperated." Boyle refused to name the officers, saying it could compromise the investigation or tarnish their reputations.

He noted, however, that the FBI has not informed the department of "any officer being a subject or target of an investigation."

The document charging Paolillo indicates that other city officials or officers were involved in the scheme.

"Paolillo . . . was in contact with William H. Walsh and other Cambridge public officials involved in certain illegal real estate transactions in which the investors would provide false information to banks to obtain mortgages," states the one-count charge.

Walsh was convicted in federal court on 41 counts of defrauding Dime Savings Bank earlier this year and is scheduled to be sentenced Nov. 9.

Walsh said yesterday that his only connection to the case is that a lawyer from his office represented the developer of the condo purchased by Paolillo. When asked who the other "Cambridge public officials" might be, Walsh responded, "I haven't got a clue in the world."

A plea agreement drafted by Assistant US Attorney Joseph F. Savage Jr., head of the public corruption unit, and sent Segal, states that federal authorities will give the former chief immunity from prosecution in any matter he discusses in exchange his "full and truthful cooperation."

Segal said his client will not be much help to the federal investigators.

"Anthony Paolillo was an honest police officer and an honest police chief who did not tolerate police corruption and is more than willing to cooperate with any federal investigation into the police department," said Segal. "Unfortunately, as a private citizen, Mr. Paolillo made a false statement on a loan document."

The bank fraud charge alleges Paolillo lied on loan application forms when he said there was a down payment on the property - an investment condominium in Northampton - lied about the purchase price and stated there was no second mortgage on the property when he knew there was one.

The plea also states that the government will recommend a sentence of three years' probation and fines and penalties of \$30,050.

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ANTHONY G. PAOLILLO
Chief from 1981 to 1991

January, 1993

AN EVALUATION OF CAMBRIDGE CITY MANAGER ROBERT HEALY

BY

THE CAMBRIDGE TENANTS UNION

The Cambridge Tenants Union (CTU) would like to take the opportunity for public comment on the performance of City Manager Robert W. Healy to convey to the City Council additional information on policy issues, the city administration, and certain city departments and agencies. We hope this information will assist the City Council in its deliberations on whether or not to offer Mr. Healy a new contract in June, 1993.

Introduction

CTU deals primarily with housing issues -- tenants rights, rent control, and affordable housing, with development issues, as those issues impact on housing, especially rental housing for low and moderate income residents, and Cambridge neighborhoods, and with growth policy and institutional expansion, as those issues impact the supply of affordable rental housing, the availability of land where new affordable housing could be built in the city, and the quality of life in the city's neighborhoods.

It is in dealing with these issues that CTU sees the city manager: that is our point of view. And since the 1990 census confirms that 70% of the residents of Cambridge are tenants, we think that point of view is important to the city.

In these areas, CTU sees actions by the city administration and changes in the city which lead to only one conclusion: the city manager has failed. Cambridge today is less accessible to poor people than it was over a decade ago when Mr. Healy became city manager. More of the city is devoted to commercial development than necessary or wise. Institutional expansion into residential and other areas has accelerated in the last decade and remains unchecked. Many of the city departments and agencies which are important to tenants and upon which tenants depend are in disarray or are not functioning well.

A. City Departments, Agencies and Boards

A review of city departments, agencies and boards shows that those concerned with housing, development or landlord/tenant relations range from being troubled to verging on total collapse.

1. Rent Control Board (RCB)

In the last three years, the RCB has become a place where deals are made and where clout counts. As an adjudicatory agency the RCB must adhere to certain procedural standards to safeguard the rights of those who come before it or are affected by its decisions. We believe that the integrity of the agency has been compromised by the actions of the current executive director, Terrence Morris, who was appointed three years ago by Mr. Healy. In CTU's view, Mr. Morris has overstepped the bounds of his office and turned part of the work of the Rent board into an "off-the-shelf" operation.

Under Mr. Healy's appointee, Mr. Morris, far too often policies of individuals and other city agencies are allowed to take precedence over procedural justice under the Rent Control Act and city ordinances. Many of us who have handled cases at the RCB for as long or longer than Mr. Healy has been city manager are appalled at how things are handled today. We are now reluctant to go before the Board in any capacity. We find our work trashed or traded for advantage to others.

CTU believes it sees the tracks of coordinated city intervention, especially through the housing cabinet, in matters before the RCB to influence issuance of removal permits, and other matters, on conditions agreed to off the RCB record by other city agencies and administrators. The recent letters by the Assistant City Manager on the property at 4 - 4 1/2 Centre Street serve as an example.

CTU members with RCB experience now feel we can predict that Board votes, on many issues, especially those of interest to housing cabinet members and the city administration, will go the city's way, often despite contrary evidence on the record or a contrary hearing officer's recommendation, by a margin of 3-2 or better.

In June, 1992 CTU met with the city manager to discuss a lengthy and growing bill of particulars with respect to the performance of the Board's executive director. We asked the manager to evaluate Mr. Morris' work in light of our criticisms. He asked for some time before responding. Three months later, after hearing nothing, we sent the manager a follow up letter. To date, almost another five months later, we have not even had the courtesy of a reply.

In consequence, we now plan to make public our concerns about the current state of the Rent Control Board which, in our view, are due largely to failings of Mr. Healy's appointee, Terrence Morris. Here, we must hold the city manager accountable for those failings and for his complete lack of responsiveness to

our criticisms of his appointment to head that agency. Even if Mr. Healy totally disagreed with us, there is no excuse for his failure to extend to CTU even the pro-forma courtesy of a reply. This failure of the manager is, unfortunately, quite consistent with difficulties CTU has had over the years getting in to see Mr. Healy or getting a response to phone calls from his office.

Though Mr. Healy appoints few tenants, the RCB is the one board where tradition allows tenant appointments. Here, Mr. Healy and his staff have gone to some lengths to stiff CTU candidates, most recently creating out of whole cloth the idea that having two CTU members on the Rent Board was reason enough not to appoint someone from CTU. This rationale was particularly offensive because during Mr. Healy's long tenure as city manager there have often been two CTU members on the Board or, prior to 1986, two members from other citywide tenant groups. Given what is going on at the RCB and in the housing cabinet, we suspect City Councillors will have little difficulty understanding Mr. Healy's reluctance to appoint independent-minded tenants recommended by CTU to the RCB.

As for the all important appointments to chair the RCB, CTU finds Mr. Healy has shown some unfortunate preferences: first, for "players," often with experience in real estate law or other specializations which make them partial to the interests of property owners; second, in light of Harvard's dominant position in the city and its large holding of rent-controlled housing, for graduates of the Harvard Law School; third, and most unfortunate of all, has been the preference for Board chairs who have no real commitment to the rent control system. One recent Healy appointee, while Board chair was reported to have stated "moral" or "philosophical" reservations about rent control. CTU believes it is absolutely essential for all appointments to the RCB, whether landlords or tenants or "neutral" chairs, to have one qualification in common: a willingness to support the rent control system and to make it work.

2. Inspectional Services Department (ISD)

Today, the Inspectional Services Department heads almost anyone's list of city fiascos. This agency was formed in 1982, shortly after Mr. Healy became city manager, by combining the city's building and health departments. Its formation was not without controversy, and problems surfaced quickly. In 1984, a series of reforms for the operation of ISD were proposed by city council order. These reforms were never implemented by the city manager.

By 1987 it was evident that ISD was headed toward collapse: confidence in its work had been severely eroded by serious labor/management clashes, two employees were fired for cause (and

their positions were -- remarkably -- not filled because the commissioner said those positions were not needed), the commissioner himself was sanctioned by the State Ethics Commission and had been found to have violated the city's rent control laws. A series of insupportable decisions by the commissioner, including the demolition of a vacant building at 74-76 Putnam Avenue, led to at least one lawsuit by the city against its own building commissioner.

In spite of all this, Mr. Healy made no significant changes in the department, and the same commissioner actually still heads ISD, though he is now on medical leave. By the summer of 1992, the commissioner himself had acknowledged that ISD was incapable of carrying out its basic responsibilities.

The city manager's failure to make major personnel changes in the ISD, starting with the commissioner, and his failure to reform its operations is inexcusable. Surely, the manager could have established cause for dismissing the commissioner, had he sought to do so, by citing the sanctioning of the commissioner by the State Ethics Commission.

3. Community Development Department (CDD)

Throughout Mr. Healy's tenure as city manager, the CDD has identified "community development" with what promoters would call "economic development". The CDD and Mr. Healy favored and gave special incentives for large-scale commercial projects designed especially to attract high-tech spinoffs from Harvard and MIT, projects usually built by big commercial developers acting for their own accounts or as direct or indirect agents for the two giant Cambridge educational corporations. This policy advanced Mr. Healy's interest in using new development, under Proposition 2 1/2, as an economic engine to generate higher and higher revenues for city coffers.

This policy choice had other consequences, though. The CDD took far less interest in the preservation of existing small businesses, light manufacturing and housing, or in the effort to "develop" these aspects of the community. Overall, neighborhood preservation took a backseat to large-scale commercial projects across much of the city.

Where the CDD did involve itself in housing matters, it tended to promote the gentrification of neighborhoods and the city. The CDD's preference for "assisting" in the maintenance of existing rental housing was to poach upon the rent-controlled housing stock to produce exceedingly expensive rehabs which usually required decontrol, subsidies or both.

The CDD and subordinate agencies dependent on it for funds such as Just-A-Start, CNAHS, and HRI regularly use rent control, but do not support it. These agencies and developers funded by the related "Affordable Housing Trust" (AHT) prey on rent controlled housing to take apartments as raw material for other, usually homeownership programs for which they have funds. Then, they claim that they have created the homeownership opportunities. They never mention or include in the equation the fact that rent-controlled housing has been lost. These policies have never been voted by the city council, but they are regularly carried out by Mr. Healy's administration. In fact, such policies and procedures have recently been refined by coordination through the housing cabinet.

The city's Affordable Housing Trust, drafted by the Healy administration and run by the CDD, failed miserably in its primary task: collecting linkage funds for affordable housing. In February, 1992, the CDD itself admitted that no funds whatsoever have been generated by the city's ineffectual "linkage" program which was put in place following an expensive, but almost worthless, report obtained, under contract with a consultant, by the city administration.

To date, money from deals done at the Rent Board, mostly in exchange for removing units from rent control, has become the major source of AHT funding, a policy hatched administratively. No city council policy directing funding of the AHT from Rent Board settlements has, to CTU's knowledge, ever been passed. Legally, it is highly questionable whether any such policy could have been formalized. Nevertheless, without benefit of any written policy, city agencies under Mr. Healy have cashed in on the removal of rental housing under rent control. Rental housing lost to these schemes is not being replaced. As a result the inventory of rent-controlled units has diminished, all in the face of official city policies and laws designed to preserve the city's rental housing.

Under Mr. Healy, the CDD has also failed to press banks to increase their lending to the community, especially for the maintenance of existing rental housing in the community, as mandated by the federal Community Reinvestment Act (CRA). No survey of bank lending data, as required by recent CRA amendment, has yet been done by the CDD for Cambridge. Last May, at a budget hearing, Mr. Healy and Mr. Rosenberg of the CDD acknowledged that the city did not take any steps at all even to determine if local banks, or banks doing business in Cambridge, were in compliance with the CRA.

Reflecting the preferences of Healy's CDD, almost all new housing built in Cambridge in the last decade has been expensive condominiums. In large part this was because, under Mr. Healy, the CDD did not fight for strong inclusionary zoning and linkage.

The CDD did, in 1983, put forward a modest proposal that effectively undermined stronger proposals. At the time, critics called the CDD proposal a "trojan horse" for the Chamber of Commerce, which opposed strong inclusionary zoning and linkage.

Where affordable housing was built in the last decade in Cambridge, it was the result of strong pressure brought by community activists, not the CDD. Conversion of the Fenton Shoe building on the Simplex site in Cambridgeport is a good example. MIT and its developer wanted to demolish the building and build offices. The Simplex Steering Committee proposed, fought for, and won conversion to housing, including some units made affordable to low and moderate income families by subsidies.

Because policies enunciated by the City Council tend to be somewhat neighborhood-oriented, development projects sought by the city administration throughout the last decade were pushed to approval by the city manager, with CDD assistance, using the following techniques:

- (1) The council would be presented with a pressing deadline, so that there would be no time for probing questions, homework, doubts or second thoughts;
- (2) The council would be provided with those facts or details about a project which could lead to only one conclusion, the one sought by the city manager, or
- (3) the council would be asked to accept the project, with many details yet to be filled in, on trust.

Over the years city councillors used more folksy ways to describe these techniques, saying, for example, that they felt they had a gun pointed at their heads or that they were being asked to accept "a pig in a poke." Usually, lacking any possibility of creating workable alternatives in time, councillors followed the manager's lead.

One of the classic "pigs in a poke" presented to the city council by the Healy administration was the Schochet project in Central Square. The city signed off on a project which lacked necessary private financing. This allowed major structures housing both commercial and residential tenants in the heart of Central Square to be vacated and then nearly demolished -- without anything set to take their place.

Only a lawsuit by CTU members against the developer and the city prevented these buildings on Massachusetts Avenue from being torn down to leave, for years, only a desolate gap in the square's business and retail center. The sorry history of this failure of the city administration to protect the public interest was recounted by Geoffrey Gardner in a letter to the Chronicle (Exhibit A). As of this writing, the space where the rent-controlled apartments were has been vacant for nearly six years.

4. Board of Zoning Appeal (BZA)

During Mr. Healy's administrative tenure, the BZA was allowed to become a lever against the Rent Control Board, and the city often found itself in court with "conflicts" between the two agencies. Some BZA decisions were obtained and used to justify removal of apartments from rent control and, in perhaps the most creative, but cruel gambit, used as justification for removal under a law in effect for just two weeks. No city lawyer under Mr. Healy looked at or advised the council on how to make sure that didn't happen in a city where the council has long had a majority in support of rent control.

More broadly, many of these "conflicts" were simply manufactured at the BZA. Mr. Healy has seemed unwilling or unable to resolve these "conflicts" using applicable law. To our knowledge, the city solicitor's office never succeeded in helping to reconcile the positions of the two agencies. CTU finally submitted a lengthy letter showing how existing laws could be used to resolve these conflicts in ways which supported the city policy of preserving affordable rental housing. CTU never got a reply from city departments to which we sent the letter.

5. Planning Board

The Planning Board seems to ignore the existence of tenants in Cambridge. No tenant has been appointed to this Board or to many other Boards in the city since Mr. Healy became city manager. Mr. Healy's appointments to the Planning Board appear to CTU to have been carefully selected to ensure that at any time a majority of the Planning Board will support the development policies of the city administration.

B. The Ethical Morass

Whatever his own situation--and no one has suggested that Mr. Healy himself has been an investor with Councillor Walsh, Mr. Healy bears a very large responsibility, as the city's chief administrative official to whom virtually every city employee and official must give an accounting, for the continuing ethical morass that dogs Cambridge city government because of the large number of city employees and officials who have had financial ties to City Councillor William Walsh.

Impropriety takes a number of different forms. To date, one city employee has been listed in the federal indictment of Walsh for bank fraud alleging that he fraudulently obtained mortgage financing. More generally, the obvious potential for influencing the actions of city employees--and certainly for the appearance of such influence--exists when city employees have financial ties to a member of the city council.

Walsh investors can be found in various city departments, including the police department, school department, inspectional services, and the water department. Among Walsh's investors have been a former member of the Rent Control Board, Board of Zoning Appeal, and the former police chief. The deputy city solicitor obtained a mortgage loan from Walsh in order to purchase his condominium in Cambridge shortly after assuming his current post.

Since revelations about the Walsh network of investors in city government first appeared in the Boston Phoenix in the summer of 1989, Mr. Healy has consistently failed to act with respect to any aspect of this serious ethical issue, not even completing the relatively simple task of determining how many city employees and officials are Walsh investors.

Several months before the 1989 Phoenix article, CTU had informed Mr. Healy by letter that a Rent Board hearing officer had found Jacqueline Rickard, an alternate on the Board of Zoning Appeal, in violation of the city's rent control laws. Moreover, a subcontractor of Ms. Rickard involved in reselling the property had testified that Ms. Rickard had told him to keep quiet because they were pulling a fast one. This showed her obvious disdain for the law. Ms. Rickard's ties to Mr. Walsh were also evident. In fact, in one of the Phoenix articles, a Rickard lawyer was quoted to the effect that without Bill Walsh Jackie Rickard would be nothing.

Ms. Rickard was appointed to the BZA in the spring of 1986, two months after Mr. Walsh became a city councillor. Did Mr. Healy make the appointment at Mr. Walsh's behest? We do not know the answer. We do know that Mr. Healy allowed Ms. Rickard to finish out her term on the BZA. (See Section 4 above)

Mr. Healy's inaction on this issue has continued even into last year. As a result, Walsh investors can be found among the recent group of local police recruits and on the recently appointed "triumvirate" that now runs the ISD. In February, 1992 Mr. Walsh and Mr. Healy tangled publicly with the new Police Commissioner over the police recruit issue.

Yet, this matter also goes back in time almost to the beginning of Mr. Healy's long tenure as city manager. In 1982, he appointed Sally Ackerman to the Rent Board to represent landlords. At the time, former Councillor David Sullivan decried the appointment, calling Ms. Ackerman the "James Watt of rent control." Sullivan's worst fears were borne out in June, 1983 when Ms. Ackerman attempted, as a single member of the Board and without a Board vote, to invalidate the city's removal ordinance. She clearly acted outside the bounds of her authority. (Her letter to the city clerk and the response of the Rent Board chair are attached as Exhibits B and C).

In retrospect it is now clear how much this highly disruptive action by Ms. Ackerman was just another gambit by the law firm of Ferraro & Walsh. In the lawsuit Ms. Ackerman cited, Zaman v. The Rent Control Board of Cambridge, the plaintiff, Wasim Zaman, his attorney Anita Cohen, the law firm she represented, Ferraro & Walsh (which, it is now contended, is simply a "d/b/a" for William Walsh), and Ms. Ackerman herself all turn out to be partners in the same real estate trust, The Shrewsbury II Trust.

Along the way, if memory serves, Mr. Healy made comments which indicated he had second thoughts about the appointment of Ms. Ackerman, but he did nothing about her improper action. For her attempt to disrupt and undermine the rent control system she had taken an oath to uphold, Ms. Ackerman should, by any standard, have been removed from the Rent Board by Mr. Healy. Instead she remained on the Rent Board for another six years.

C. Conclusion

CTU has written regarding the city manager at some length in part because of the importance of the city manager position under a Plan E charter and in part because CTU increasingly feels that actions are taken with respect to tenants and more particularly CTU out of deliberate and directed animosity.

It seems to us that the city manager and other public officials in his administration have every right to disagree with CTU positions, but that they should not use public office to settle scores; they should answer telephone calls, respond to letters and provide reasons for their policy preferences.

Whether Mr. Healy or his appointees agree with CTU positions on tenant and housing issues or not, CTU submits that it has done good work and has tried to participate constructively in city debates over these matters. Even on the divisive issue of whether to tax tenants, CTU pressed its side fairly, with diligence and steadiness, but without animosity. We stuck to the issues. We are not out to get anyone; we are out to change how this city does its business in areas of concern to tenants. CTU believes the city and its neighborhoods will be a better community if the positions we have supported are adopted.

This evaluation springs out of CTU's efforts over the years. Looking back, tenants and CTU have not done well in a city where other interests have so much more money and clout, and so much better access to the city administration.

Even though this evaluation is long, it lays out only some of the problems CTU has encountered with Mr. Healy's administration over the years. Perhaps the most notable omission

should be mentioned: the role of city departments, agencies and senior administrators in the 1990-91 city council attempt to "reform" rent control. CTU has not forgotten the matter, but a reasonably thorough analysis of that fiasco would take up pages.

Here, suffice it to say that first Mr. Healy's administration responded to a number of city council orders by rewriting them to suit its own policy tastes and second by failing to implement any of the city council's original orders.

Much conversation about the city manager seems to end with something to the effect that well, (whatever the failing) he's still done a good job handling the city's finances. A CTU member put Cambridge finances in perspective as follows: if Mr. Healy had been in Brockton for the last decade, does anyone really believe Brockton would have attained, under Mr. Healy or anyone else, such a strong General Fund balance as Cambridge now enjoys? The city's financial picture benefited greatly from the development boom of the 1980s in Cambridge, but during that time Cambridge city government became very expensive on a per capita basis. CTU does not believe many residents and many city neighborhoods did as well.

So, after many years and a strong case of "deja vu all over again", there is increasing unwillingness on CTU's part to watch this administration's dog and pony shows much longer or to hear the drum beat that Cambridge is anti-business or anti-Harvard or anti-MIT. In reality, Cambridge is none of these things.

It is CTU's view that the Chamber of Commerce already has far too much influence with Mr. Healy's administration. We know the Chamber strongly supports him in return, naming him "Civic Leader of the Year" last fall. Harvard and MIT can and do take good care of themselves. No city administration needs to come as close as this one has to being their housekeeper.

For these reasons, among others, CTU voted at its January General Meeting to recommend to the Cambridge City Council that Mr. Healy's contract as manager not be renewed and that the Council begin, as soon as practical, the search for a new city manager.

THURSDAY, FEBRUARY 23, 1989

CAMBRIDGE (MASS.) CHRONICLE

LETTERS

Why he's vindicated

In The "Chronicle's" story on the extinction of the Schochet Central Square Project, I was glad to find myself quoted saying, "I can't help but feel vindicated in this case." Assuming that readers follow stories in The "Chronicle" to learn the content and meaning of current events, and not the state of my feelings during any given week, I think I should offer an explanation of what I felt vindicated about.

More than a year ago, Michael Turk and I had strong reasons to believe Schochet's Mass. Ave. project was defunct. Like everyone else walking or driving through Central Square, we could see that the project had not gone forward according to schedule. Beyond that, we had also been told by Schochet's Project Director, Peter Lewis, that the city's UDAG application on behalf of the developer had "languished" and all the developer's capital was tied up in another project in Connecticut. Lewis could give us no indication of when the project might go forward. On the basis of this information and as a party to the Rent Board's original removal permit case for two rent controlled apartments on the project site, I wrote to the Board's Executive Director, Margaret Drury, on 23 February 1988, requesting a hearing, pursuant to the board's regulations, to review the granting of the removal permits.

The Rent Board never responded to my request, but late in April of 1988, a public notice was posted in the board's offices announcing that a one-year review of the removal permits was being conducted. On May 2, Michael Turk and I each filed affidavits with the board, covering what we knew about the developer's problems in financing the Mass. Ave. project. Again, at that time, I requested a hearing to determine if the removal permits should be confirmed or rescinded. And again I heard nothing until 19 July 1988, when hearing examiner, James Packer, wrote, informing us that a hearing would be held to review the removal permits. The

hearing was finally scheduled for 2 September, more than six months after my original request.

In preparing for the hearing, we discovered that the project was far closer to death than we had supposed. In fact, all the evidence we found seemed to indicate clearly that the project was dead already and the developer was seeking to demolish the buildings nonetheless.

Our hearing at the Rent Board was strange indeed — even by Rent Board standards. To get things rolling well, the hearing examiner attempted to dissuade us from going ahead with the hearing, suggesting instead that we negotiate with the developer. Among other documents, we had subpoenaed the Bank of New England's letter of intent, referenced in the new UDAG application. The hearing examiner, the typical Rent Board passivity in regard to matters of enforcement, found our subpoena to be valid but did not require the production of any documents. Thus there was no documentary evidence that there was financing for the project. The owner of the properties — not Jay Schochet as The "Chronicle" reports, but Landon Clay, an anti-divestment member of the Harvard Board of Overseers and head of the multi-million dollar Eaton Vance investment corporation, a man who could finance the project with or without a UDAG grant if he thought it worth his while — testified he didn't even know what a UDAG was. The developer, Jay Schochet, pointed to the new UDAG application as the only tangible evidence that the project was alive. He produced no evidence of financing for the development, could give no date when the project would go forward and testified he wanted to demolish the buildings, not to begin the project, but to keep them from becoming a nuisance attractive to people living on the streets. Finally, at the end of the hearing, the examiner announced that the developer's attorney and the Board's Executive Director had agreed the Rent Board's final hearing of the case

would be expedited to 28 September.

In our experience, it is wholly unusual for a final hearing date to be agreed upon by one party and the Rent Board administrator and announced during the fact finding hearing. However, the reason appeared patent to us. We already knew that HUD would make its final decisions on UDAG applications by 30 September. It seemed clear to us that neither the Rent Board nor the developer wanted the disapproval of UDAG funding known at the time of the final Rent Board hearing.

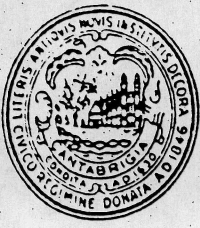
The final hearing before the Rent Board on 28 September was stranger still. We were the paranoiacs taken for an outing to the great parade. Our claim — and our evidence — that the Schochet project was dead was treated like a paranoid delusion. At one point during the hearing, the Rent Board Chair, Ellen Semenovoff, actually asked, "C'mon you guys, if this project isn't real as you say, then why do you think the City Manager, the Community Development Department, the Historical Commission and Inspectional Services are all acting like it is, filing and accepting applications for permits and grants?" The Rent Board voted to continue the removal permits for another year and to sign off on the demolition permit, finding it was unlikely the present UDAG would be denied for the same reason the earlier UDAG application had failed. Just 36 hours later, we learned from HUD that the UDAG had been denied and for the very same reason: lack of firm private financing.

Schochet's declaration to the city that the project is dead is a sudden reversal of his position. There has been nothing sudden about the facts that underlie it. The evidence had been there for a very long while for those who care to consider evidence. Thus my sense of vindication.

But what remains now and what is really important is that the Rent Board act at once to rescind the removal permits for 2 Essex St. and return both those rent controlled apartments to the rental market. If they fail to do that, our case is awaiting action in court. Beyond that, it is now time, not for us, but for the city manager and the Community Development Department to answer publicly Ellen Semenovoff's question.

Geoffrey Gardner
Cambridge Tenants Union

File



CITY OF CAMBRIDGE

439 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498 9077

RENT CONTROL BOARD
ROGER MERVIS, EXECUTIVE DIRECTOR

June 28, 1983

Paul Healey, City Clerk
City of Cambridge
Cambridge, MA

Re: Ordinance 980

Dear Mr. Healey:

I am a duly appointed member of the Cambridge Rent Control Board. In accordance with Section 1 (e) (2) of Ordinance 980, I hereby inform you, in my official capacity, that the total number of rental units in the City, excluding public housing units, exceeds the number as of January 1, 1970. Enclosed is the statistical information upon which this statement is based.

The Board was informed of these data several months ago and has stipulated to these data through its Executive Director in a court case, to which it was a party, entitled Zaman v. The Rent Control Board of Cambridge, Superior Court No. 82556.

Therefore, under §1 (e) (2), Ordinance 980 should no longer be in effect. I have found it necessary to file this document as an individual member of this Board due to the fact that this Board has had full knowledge of these facts and has failed to take the appropriate and necessary action in a timely fashion.

Very truly yours,

Sally Ackerman

Sally Ackerman, Member
Cambridge Rent Control Board



CITY OF CAMBRIDGE

65 MASSACHUSETTS AVENUE
CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498 3077

RENT CONTROL BOARD

ROGER MERVIS EXECUTIVE DIRECTOR

July 12, 1983

Paul Healey, City Clerk
City Hall
Cambridge, MA

Re: Ordinance 926, as amended (the "Removal Permit Ordinance")

Dear Sir:

I am responding to the June 28, 1983 letter to you from Ms. Sally Ackerman, a member of the Cambridge Rent Control Board. In my capacity as Chairman of the Board, I feel that it is imperative that the public record clearly reflect the fact that Ms. Ackerman was speaking solely for herself, and not for the Board. Section 1(e) of the Removal Permit Ordinance is quite clear in its delegation to the Full Board of the authority to certify the Ordinance as no longer effective. Given the magnitude and impact of such a decision, the Board elected to commission a comprehensive and thoughtful analysis of relevant housing data by the Board's staff, in concert with the City's Community Development Department. The Board believes that if its ultimate decision is to be credible, the decision-making process must be credible, including ample opportunity for public review and comment. Thus, the Board, while not rejecting the data supplied by Ms. Ackerman, felt compelled to adopt a more formalized fact-finding process as a precondition to a final resolution of this matter.

We are well aware of the importance of resolving this issue expeditiously and are attempting to do so without sacrificing thoroughness and openness. However, until such time as the Board ultimately resolves this issue, Ordinance 926, as amended, remains in full force and effect and will be enforced by the Board where appropriate.

Yours truly,

Acheson Callaghan, Chairman
Cambridge Rent Control Board

Consent Comm. #10

**A comm was received from William Noble
regarding the City Manager's Contract.**

In City Council October 24, 1994

*Referred to
Unfinished Business
17*

RECEIVED BY
OFFICE OF CITY CLERK
1994 OCT 20 PM 1:57
CAMBRIDGE MA.

AN EMPLOYMENT AGREEMENT BETWEEN THE CITY COUNCIL
OF CAMBRIDGE AND THE CITY MANAGER

Whereas, the Massachusetts General Court has adopted Chapter 279 of the Acts of 1982, which permits an Employment Agreement between the Appointing Authority and the City Manager; and,

Whereas, the City desires to have such an Employment Agreement in order to spell out the remuneration and benefits of the City Manager; and,

Whereas, the City Manager is the Chief Executive Officer, Chief Administrative, and Chief Conservator of the Peace for the City of Cambridge in accordance with Chapter 43, Section 93 to 108 of the Massachusetts General Laws, (Plan E Charter),

Now, therefore, be it agreed by Robert W. Healy, Jr., City Manager, hereinafter referred to as "Employee", and the City of Cambridge, hereinafter referred to as "Employer", that the employment relationship between the City and the Manager shall be governed by the following provisions:

This agreement, made and entered this 24th day of October, 1994 by and between the City of Cambridge, a municipal corporation and Robert W. Healy, Jr., City Manager, and expire on June 30, 1997.

Whereas, the City desires to employ the service of Robert W. Healy, Jr., as City Manager of the City of Cambridge in accordance with Chapter 43, Sections 93 to 108 of the Massachusetts General Laws; and

Whereas, it is the desire of the Cambridge City Council to provide certain benefits, establish certain conditions of employment, and to set working conditions of said employee; and

Whereas, it is the desire of the Cambridge City Council to (1) secure and retain the services of Robert W. Healy, Jr. and to provide inducement for him to remain in such employment, (2) to make possible full work productivity by assuring employee's morale and peace of mind with respect to future security, (3) to act as a deterrent against malfeasance or dishonesty for personal gain on the part of the employee, and (4) to provide a just means for terminating employee's services at such time as he may be unable to fully discharge his duties due to age or disability; and

Now, therefore, in consideration of the mutual covenants herein contained, the parties agree as follows:

Section 1. Duties

Employer hereby agrees to employ said Robert W. Healy, Jr. as City Manager of the City of Cambridge to perform the functions and duties specified in Chapter 43, Section 93 to 108, and the Ordinances of the City of Cambridge, and to perform other legally permissible and proper duties and functions as the City Council may from time to time assign.

Section 2. Term

A. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of the said employee at any time, subject only to the provisions set forth in Section 3, Paragraph A, of this agreement.

B. In the event written notice is not given by either party to this agreement to the other sixty days prior to the termination date as hereinabove provided, this agreement shall be extended on the terms and conditions as herein provided for a period of one year. Said agreement shall continue thereafter for one-year periods unless either party hereto gives sixty days' written notice to the other party that the party does not wish to extend this agreement for an additional one-year term.

Section 3. Termination

A. The City Council upon a vote of a majority of its membership in accordance with Chapter 43, Section 103, of the Massachusetts General Laws, may terminate this agreement, and provide further that the City Council agrees to pay the City Manager 50% of the financial obligations, or six months salary, which ever is greater, and 100% of any accrued sick leave, vacation, holidays, compensatory time accrued during the term of this contract, retirement benefits, or other accrued benefits owed to the City Manager for the remaining term of the agreement. The payment provisions are voided in the event the Employee is convicted of a felony or malfeasance in office, other than those earned benefits such as accrued sick leave, vacation, compensatory time and retirement. In the event of termination at the expiration of this contract the Employee shall be entitled to six months' severance pay.

Section 4. Disability

A. If Employee is permanently disabled, or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued sick leave, Employer or Employee shall have the option to terminate this agreement subject to the conditions in Section 3. Employee shall be compensated for any accrued sick leave, vacation, holiday, compensatory time or other accrued benefits. For the purpose of this Section, the Employee, inasmuch as he is the City Conservator of the Peace of the City of

Cambridge, shall be provided retirement benefits in accordance with Chapter 32, Section 3, paragraph f, as if a member of Group 4.

B. Employer agrees to put into force the Employee insurance policies for accident, sickness and disability income benefits.

Section 5. Compensation

A. The City Manager shall be paid an annual salary in accordance with Chapter 2.62 of the Cambridge Municipal Code on the salaries of Department Heads of the City of Cambridge.

B. The City Manager shall be covered by an insurance policy in the amount of \$120,000 payable to the beneficiaries named by the City Manager. This insurance may include "whole life, paid up, or cash value" insurance at the discretion of the City Manager.

C. The City Manager shall be entitled to all medical, dental, hospital, life insurance, and other benefits available to other personnel employed by the City.

D. The City Manager shall be entitled to twenty-five working days of annual vacation, exclusive of legal holidays. It is the intention of these parties that these vacation days be taken annually, but in no event may the Employee carry forward more than five days' vacation in any one year during the term of this agreement. The City Manager may be compensated for up to ten unused vacation days per year to be paid at the prevailing salary.

Section 6. Evaluation of Goals

A. The Council shall review and evaluate the performance of the Employee at least once annually in advance of the adoption of the annual operating budget. Said review and evaluation shall be in accordance with specific criteria developed jointly by Employer and Employee.

B. Annually, in January, the Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City and in the attainment of the Council's policy objectives and shall further establish a relative priority among those various goals and objectives. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided.

Section 7. Hours of Work

A. It is recognized that the Employee must devote a great deal of time outside the normal office hours of the Employer, and to that end the Employee will be allowed to take compensatory time off.

Section 8. Automobile

A. Employee's duties require that he have the unrestricted use of an automobile provided by the Employer which shall be replaced on the schedule previously established for the Mayor's automobile.

Section 9. Retirement

A. The City Council agrees that the City Manager as Chief Conservator of the Peace of the City of Cambridge shall be provided retirement benefits in the same formula as those employees in Group 4 of Chapter 32, Section 3, paragraph f, of the Massachusetts General Laws.

Section 10. Indemnification

A. Employer shall defend, save harmless, and indemnify employee against any tort, professional liability claim or demand or other legal action whether groundless or otherwise, arising out of an alleged act or omission occurring in the Employee's performance of his duties as City Manager.

Section 11. General Provisions

A. The text herein contained shall constitute the entire agreement between the parties.

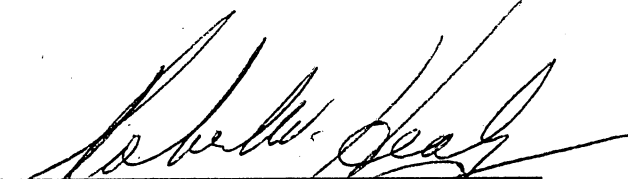
B. This agreement shall be binding upon the inure to the benefit of the heirs at law and executors of the Employee.

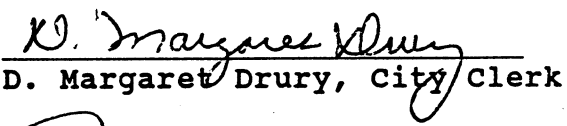
C. This agreement shall become effective October 24, 1994.

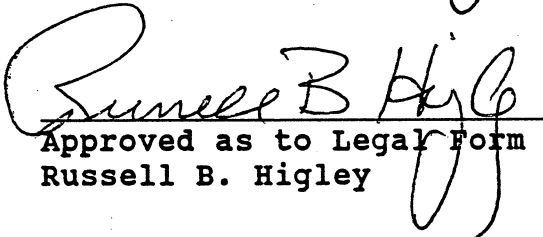
D. If any provision, or any portion thereof, contained in this agreement are held unconstitutional, the remainder of the agreement shall be deemed severable, and shall not be affected and shall remain in full force and effect.

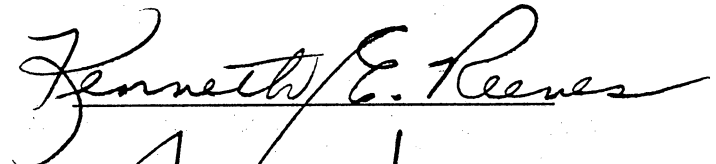
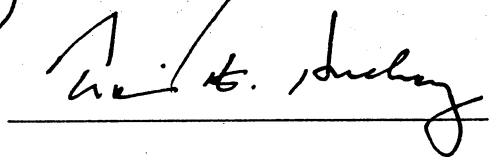
In Witness Whereof, the City Council of the City of Cambridge has voted that this agreement be entered into as duly attested by its City Clerk, and the Employee has signed and executed this agreement this 24th day of October, 1994.

City Councillors:

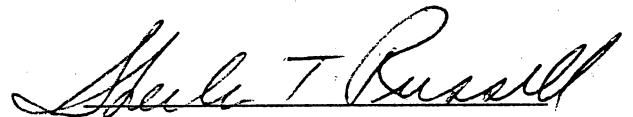

Robert W. Healy, City Manager

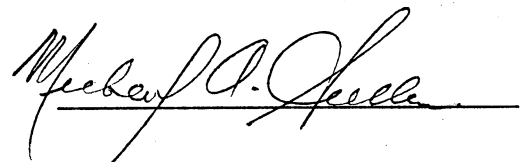

D. Margaret Drury, City Clerk

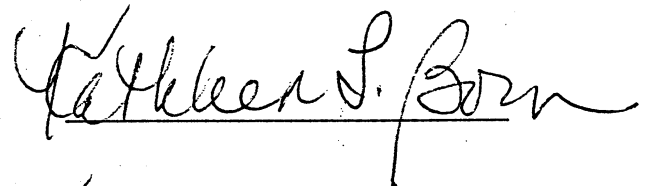

Approved as to Legal Form
Russell B. Higley

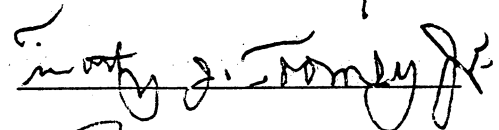



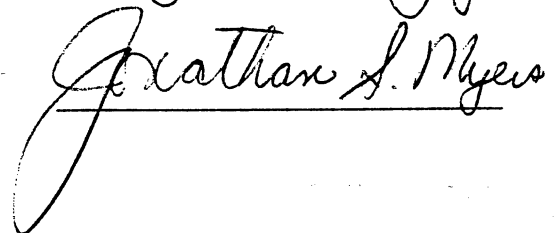














City of Cambridge

CALENDAR ITEM # 17
CALENDAR ITEM # 5
36.

IN CITY COUNCIL

~~September 26, 1994~~
~~OCTOBER 3, 1994~~
OCTOBER 24, 1994

MAYOR REEVES
COUNCILLOR SULLIVAN

WHEREAS: The goal of effective municipal leadership is to provide a economically viable and fiscally stable environment for the City and its residents, thus enhancing the quality of life in the City; and

WHEREAS: In October of this year the City will be going to the bond market for a twenty million dollar sale and sales of similar amounts over the next several years; and

WHEREAS: Independent credit rating agencies have upgraded the City's bond rating based upon sound fiscal practices and stability in the management team, and will look to these factors in future sales; now therefore be it

RESOLVED: That the employment agreement between the City of Cambridge and Robert W. Healy be and hereby is amended to expire on June 30, 1997.

In City Council October 17, 1994.
Adopted by a yea and nay vote:
Yeas 8; Nays 1; Absent 0.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- *D. Margaret Drury*

D. Margaret Drury,
City Clerk



OFFICE OF THE PRESIDENT

CAMBRIDGE, MASSACHUSETTS 02139

October 20, 1994

The Honorable Cambridge City Council
Cambridge City Hall
795 Massachusetts Avenue
Cambridge, MA 02139

Dear Members of the Cambridge City Council:

I write on behalf of MIT to urge the City Council to renew the contract of City Manager Robert W. Healy.

In Bob's many years of service, Cambridge has prospered with a consistently sound fiscal base, second to none in the state. Bob is a tireless worker, a loyal and devoted servant of the interests of Cambridge, and is known for his probity. Perhaps Bob's most important attribute is his sensitivity to the broad and diverse interests of the people of Cambridge. While he demands state of the art, bottom-line technical excellence from himself and others, he constantly reinforces the notion that the essence of Cambridge is its people -- those who live, work, and learn here.

Bob Healy's influence extends beyond his office as he has nurtured professional staff who serve the city with his same zeal, effectiveness, and tireless efforts.

MIT is proud to call Cambridge its home. As our President, Chuck Vest once said, "MIT sees itself as a working partner with Cambridge. We are fortunate indeed to have each other as friends, sparring partners, and allies. By working together, neighbors in the community, government, business, and academia have created a vibrant city that is known throughout the world for its spirited energy, sense of community, sense of history, and sense of the future." We have Bob Healy, and the Cambridge City Council, to thank for making this possible.

Sincerely yours,

A handwritten signature in cursive script, reading "Ronald P. Suduiko".

Ronald P. Suduiko

Assistant to the President
for Government and Community Relations

cc: Charles M. Vest
William R. Dickson

1994 OCT 20 PM 4:52

Consent Comm. #12

Comm. received from Ronald Suduiko
Assistant to the President of Government
and Community Relations at MIT regarding the
extension of Robert Healy's Contract.

In City Council October 24, 1994

*Referred to
Unfinished Business
17*

City of Cambridge

MASSACHUSETTS

C. Sullivan

In City Council October 24 199

Unfinished # 17 Extend the City Manager's Contract

YEA	NAY	ABSENT	PRESENT	
✓				Ms. Kathleen L. Born
✓				Mr. Francis H. Duehay
✓				Mr. Jonathan S. Myers
✓				Mrs. Sheila T. Russell
✓				Mr. Michael A. Sullivan
✓				Mr. Timothy J. Toomey, Jr.
	✓			Ms. Katherine Triantafillou
✓				Mr. William H. Walsh
✓				Mayor Kenneth E. Reeves

8 1 0 0

MS m.s. UV/9
RF ~~UV/9-9~~
UV/9-9



City of Cambridge

CALENDAR ITEM # 5
36.

IN CITY COUNCIL

~~September 26, 1994~~
OCTOBER 3, 1994

MAYOR REEVES
COUNCILLOR SULLIVAN

WHEREAS: The goal of effective municipal leadership is to provide a economically viable and fiscally stable environment for the City and its residents, thus enhancing the quality of life in the City; and

WHEREAS: In October of this year the City will be going to the bond market for a twenty million dollar sale and sales of similar amounts over the next several years; and

WHEREAS: Independent credit rating agencies have upgraded the City's bond rating based upon sound fiscal practices and stability in the management team, and will look to these factors in future sales; now therefore be it

RESOLVED: That the employment agreement between the City of Cambridge and Robert W. Healy be and hereby is amended to expire on June 30, 1997.

REFERRED TO UNFINISHED BUSINESS AND TO SPECIAL CITY COUNCIL MEETING SCHEDULED FOR OCTOBER 19, 1994.



HARVARD UNIVERSITY

186

RECEIVED BY
CITY CLERK

1994 SEP 29 PM 3: 54

CAMBRIDGE MA.

JAMES H. ROWE, Vice President
Government, Community and Public Affairs

MASSACHUSETTS HALL
CAMBRIDGE, MASSACHUSETTS 02138
TELEPHONE: (617) 495-1703
FACSIMILE: (617) 495-3749

September 29, 1994

Cambridge City Council
Cambridge City Hall
795 Massachusetts Ave
Cambridge MA 02139

The Honorable, The City Council:

I am writing to express Harvard University's strong support for the extension of Bob Healy's contract as City Manager in Cambridge.

Cambridge's vitality reflects its diverse population and constituencies. The variety of cultures, experiences, ideas and opinions that each collectively and individually bring to the City's life is the City's greatest asset. Yet this very diversity also raises a host of challenges.

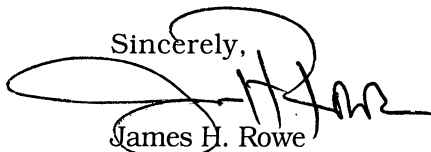
The City Council's response to these challenges has been to propose a range of programs and policies that respond to the needs of Cambridge residents. Under the Council's leadership, Cambridge's citizens have benefited from an unparalleled array of services.

Figuring out how to run this range of programs while keeping the City solvent is the essence of the City Manager's job. And it is a job which even a newcomer like me knows that Bob Healy has done well.

Mr. Healy's success as the City Manager has been to balance the various interests, needs and concerns of Cambridge's many constituencies. He's been able to implement programs that benefit residents from the many options and opinions raised by Cambridge constituencies. Thanks to the Council's leadership and Bob Healy's perseverance and stamina, many of Cambridge programs now serve as national models.

Harvard University supports Bob Healy's contract renewal because Cambridge deserves the most competent management that it can find to run its diverse and complex City. Cambridge deserves a manager who has the compassion to respond to its citizens and the toughness to make well-informed decisions. We believe Bob Healy has done a tremendous job for Cambridge as a whole, for its residents and for its many diverse parts. And while we do not always agree, Bob and the people who work for him always listen. As such we support his continuation as Cambridge's City Manager.

Sincerely,



James H. Rowe

Consent Comm. # 18

Comm. from Harvard University supporting
Robert Healy's extension as City Manager.

In City Council,

Oct. 3, 1994

Referred to

*Charter Right
5*



City of Cambridge

36.

IN CITY COUNCIL
September 26, 1994

MAYOR REEVES
COUNCILLOR SULLIVAN

WHEREAS: The goal of effective municipal leadership is to provide a economically viable and fiscally stable environment for the City and its residents, thus enhancing the quality of life in the City; and

WHEREAS: In October of this year the City will be going to the bond market for a twenty million dollar sale and sales of similar amounts over the next several years; and

WHEREAS: Independent credit rating agencies have upgraded the City's bond rating based upon sound fiscal practices and stability in the management team, and will look to these factors in future sales; now therefore be it

RESOLVED: That the employment agreement between the City of Cambridge and Robert W. Healy be and hereby is amended to expire on June 30, 1997.

CHARTER RIGHT EXERCISED BY COUNCILLOR WALSH



City of Cambridge

36.

IN CITY COUNCIL
September 26, 1994

MAYOR REEVES

WHEREAS: The goal of effective municipal leadership is to provide a economically viable and fiscally stable environment for the City and its residents, thus enhancing the quality of life in the City; and

WHEREAS: In October of this year the City will be going to the bond market for a twenty million dollar sale and sales of similar amounts over the next several years; and

WHEREAS: Independent credit rating agencies have upgraded the City's bond rating based upon sound fiscal practices and stability in the management team, and will look to these factors in future sales; now therefore be it

RESOLVED: That the employment agreement between the City of Cambridge and Robert W. Healy be and hereby is amended to expire on June 30, 1997.

Sullivan

Cal # 5

Consent Order #36

S-458

Mayor Reeves re: Employment agreement between the City and Robert W. Healy be and hereby is amended to expire June 30, 1997.

In City Council September 26, 1994

Charter right exercised
by Councillor Walsh.

10/3/94 Referred to

Unfinished Business &
Special meeting of

10/19/94.

10/24/94 - Order adopted

8-1-0.