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## **After a Decade of Change, Chelsea Dares to Dream Leaders Hope Success Doesn't Bypass Families**

By Brenda J. Buote, Globe Staff

The federal investigations, massive budget deficits, and crooked mayors that once marred Chelsea's reputation are now regarded as ghosts of a shameful past.

Gone are the days of barroom and back-room deals. Gone, too, are the vitriolic attacks that marked political life in Chelsea prior to the 1991 state takeover of the city.

Today, 10 years after Chelsea emerged from state receivership, local leaders speak with pride about balanced budgets, professional governance, and new schools. Even outsiders have started to take notice of the city's metamorphosis: In April, Boston magazine dubbed this immigrant city once the victim of white flight "a paradise for urban types."

In the minds of many, going belly up may have been the best thing that ever happened to Chelsea. The fiscal and political crisis brought large infusions of state aid, and the opportunity to draft a new city charter.

"Receivership was a wake-up call for Chelsea," said Dave Prusky, 67, who grew up in a cold-water flat on Essex Street and now lives in a two-bedroom condominium in the swank Admiral's Hill neighborhood, which was carved out of the old Chelsea Naval Hospital. "The city looks better. The streets are being maintained. Where there's a rut one year, it's paved the next. New parks have been built. And we're a tree city now, with a plan to plant more trees and a tree czar who makes sure that we do."

A walk through the heart of Chelsea, from the district courthouse on lower Broadway to City Hall at Bellingham Square, reveals the strides this 2-square-mile city has made in the last decade.

Street sweepers move swiftly along the sidewalk, picking up debris left by pedestrians. At Allen's Cut Rate Perfumers, a fixture on Broadway for more than 60 years, the English-speaking shopkeeper often counts change and answers questions in broken Spanish, using phrases he's learned from teenagers. And a police officer calmly directs motorists in both Spanish and English, switching between the two languages with ease.

"When we came in, there wasn't a single Spanish-speaking officer on the force," recalled Steve McGoldrick, a regional planning executive who was on the state

payroll in Chelsea during and after receivership. "One of the most controversial things we did was to call for a civil service list of officers who could speak Spanish. It caused an uproar. The first 10 officers hired in Chelsea after receivership spoke Spanish fluently. Most of them are still there."

Retaining a bilingual police force is considered crucial in Chelsea, where nearly half of the city's 35,080 residents are Latino. Still, leaders acknowledge that the city continues to face many challenges.

Longtime residents criticize the schools for not making more progress in the era of education reform and worry aloud about Chelsea's economic future, fearing that there may not be enough businesses on the city tax rolls. And while police have earned high marks for putting an end to drug deals in local parks, crime remains a pressing issue.

With aid from state and federal agencies, Chelsea police conducted a crime sweep this summer that resulted in 114 arrests, including the arrest of 14 gang members with violent felony convictions. The most common charge was solicitation of prostitution, followed by possession of a dangerous weapon and public drinking.

The gains the city has made have also created challenges. Rich Gordon, a second-generation owner of Allen's Cut Rate Perfumers and a member of the board of directors for the local Chamber of Commerce, said that many of the city's newcomers do not shop or worship in Chelsea, and seem reluctant to become involved with community organizations.

And soaring property values have translated into rapidly rising rents, making affordable housing a key issue in Chelsea, a city long renowned for welcoming immigrants.

The Legislature approved a state takeover of Chelsea in September 1991 after a budget impasse and political infighting left the chronically troubled city unable to meet its payroll or open its schools. It was the first state takeover of a city since the Depression. Under receivership, the powers of the mayor, City Council, and School Committee were suspended and the city's fate was placed in the hands of James F. Carlin, the city's first receiver, who was appointed by Governor William Weld.

Nearly every department leader left after Carlin swept into office; only three remained when the shake-up was over, including Guy A. Santagate, the longtime tax assessor who went on to become Chelsea's first city manager.

"The thing about that job was, I had a chance to make a difference between the city making it or not making it," said Carlin, a millionaire entrepreneur who now lives in Newport, R.I. He served in the post for nearly a year without collecting a paycheck. He gave up his salary in order to hire a deputy, Lewis Harry Spence, who went on to succeed him as receiver.

"The toughest challenge we faced was to win the respect and support of the community," Carlin said. "I knew if we had the support of the people, we could do bold things. And in the end, the people in the city, the people who lived and worked in Chelsea, were behind the receivership 100 percent."

Under receivership, minorities became part of the city's leadership for the first time, according to Juan Vega, who served as an alderman before receivership and on the City Council afterward. Today, he is executive director of Centro Latino de Chelsea, a social services agency established in 1989 to serve the city's Latino residents.

"The old joke was that not even the people who cleaned the offices at City Hall were Latinos. The receivership created a level playing field that allowed those who wanted to get involved to participate in the rebuilding of our government and governance structure," Vega said, noting that Latinos have in recent years occupied positions of power in Chelsea, from director of health and human services to chief of police.

By the summer of 1995, when the state returned City Hall to the people of Chelsea, a new government had been born, brought to life by a panel of citizens who were charged with drafting a new city charter. Several minorities, including Vega's wife, Carolyn Boumilla-Vega, served on the charter commission.

The charter eliminated the position of mayor and the Board of Aldermen changes fueled in part by the past corruption at City Hall.

In 1993, two former mayors were convicted of obstructing justice as part of a federal investigation that began in 1991, shortly after Carlin's appointment as receiver; a third was sentenced to 10 months in prison for lying to a grand jury investigating corruption in Chelsea; and a fourth admitted taking payoffs while in office but cooperated with federal investigators and was granted immunity.

Under the new charter, a city manager and City Council were charged with overseeing Chelsea's affairs.

Santagate, a native son who had been calling attention to the malfeasance at City Hall, was appointed to Chelsea's top office by a divided City Council. Those who supported him said his 30 years of public service to Chelsea made him eminently qualified to run the city.

"My biggest fear was that the City Council would hinder the reform that was needed for the city to overcome its dysfunctional past and survive," said Santagate, who is now city manager of Claremont, N.H. "There were a few skirmishes in the beginning, but we were vigilant and refused to slip back."

According to Santagate, the City Council's efforts resulted in a strict adherence to one of the most progressive charters in the state. "They set aside their egos and put the good of the community ahead of their own personal agendas," said Santagate, who served as Chelsea's chief executive for five years.

In 1998, the City Council's focused efforts earned Chelsea the distinction of being named one of 10 "All-American" cities by the National Civic League in recognition of its grass-roots approach to solving problems.

Since earning that honor, Chelsea has claimed other victories. The city weathered a recession and emerged with its finances intact, prompting Moody's Investors Service and Standard and Poor's to improve Chelsea's bond rating. Business owners on Broadway have lauded local leaders for maintaining an open-door policy. And weed-choked parcels on Crescent Avenue and Bellingham Hill have been transformed into playgrounds.

"Things have definitely gotten better," said Lydia Brito, 32, a dental hygienist who grew up in Chelsea and recently returned to the city from Brockton, in part because she wanted to raise her 4-year-old daughter, Deyleese, in her hometown. "There is so much more for the kids now new schools, nice parks. I'm saving up money now, so I can buy a house here."

Even those not intimately familiar with Chelsea and its history can see the city's makeover, since motorists who pass through Chelsea on the Tobin Bridge catch a glimpse of change.

Chelsea's skyline has been transformed by the construction of the Wyndham Chelsea, built on a lot where junk cars once sat abandoned in the wake of the fire of 1973, which consumed 18 city blocks. The Wyndham opened in 2001. The hotel chain was the first company to make a substantial investment in Chelsea after receivership.

And while the community's rebirth has meant more tax dollars in city coffers, Chelsea's success has challenged some of its poorest citizens.

Like many communities near Boston, the city has seen its property values skyrocket in the past 10 years. In 1995, the median sales price for a single-family home in Chelsea was \$58,900; this year, that figure jumped to \$307,000, according to the Warren Group, a property information firm.

Rising real estate values have spurred an increase in rents, making it difficult to find low-cost housing. It's a critical issue in Chelsea, where 68 percent of families live in rental units, many of them in poverty because they cannot speak English, a requirement for most jobs. According to state education officials, English is a second language for more than 77 percent of the students in Chelsea, where the median household income is \$33,340, US Census records show.

Ciliam Erazo, 40, a single mother with two young children, counts herself among the city's poor. Erazo lost her job at Kayem Foods in Woburn three weeks ago and fears she will have to move her family out of their three-bedroom apartment, which costs \$1,000 a month. But finding a less expensive place to live has proven difficult.

"These days, I'm finding the two-bedroom apartments are going for \$1,200," Erazo said. "When I came here in 1991, a two-bedroom cost \$650. It's getting harder and harder to stay in Chelsea."

In the face of these challenges, City Manager Jay Ash remains optimistic about Chelsea's future.

He points to the planned redevelopment of the former Janus Fabrications facility and old Atlas bedding factory into a mixed-income neighborhood just outside of the downtown area as proof that Chelsea is committed to affordable housing.

The project, a collaboration of Chelsea Neighborhood Housing Services and Mitchell Properties, is expected to add more than \$240,000 a year to the city coffers in new taxes, according to Ann Houston, executive director of the nonprofit housing organization.

Other projects also are in the works, said Ash, who succeeded Santagate in August 2000. He noted that development offers are pouring into the city from companies looking to invest in the Everett Avenue corridor, which is anchored by the Chelsea Wyndham. In addition, the Parkway Plaza is under construction and the Mystic Mall will soon get a face lift, Ash said, adding that Chelsea is "working closely with the private sector to address those problems that still exist."

Added Prusky: "If we can solve the housing problem, and attract more solid businesses that will provide jobs that offer reasonable pay, I think we'll be well on our way."

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