

**NEW BEDFORD, MASSACHUSETTS**

**MEETING: COMMITTEE ON ORDINANCES**  
**DATE: MAY 18, 2020**  
**TIME: 6:35 P.M.**  
**PLACE: REMOTELY HELD IN ACCORDANCE WITH THE GOVERNOR OF MASSACHUSETTS' MARCH 12, 2020 ORDER SUSPENDING CERTAIN PROVISIONS OF THE OPEN MEETING LAW G. L. C. 30A, SECTION 20 AND THE CITY COUNCIL'S VOTE TO WAIVE RULE 21A**

**PRESENT: COUNCILLORS HUGH DUNN, CHAIRMAN; WILLIAM BRAD MARKEY, VICE CHAIRMAN; IAN ABREU; DEREK BAPTISTE; NIOMI CARNEY; MARIA GIESTA; BRIAN GOMES; SCOTT LIMA; JOSEPH LOPES; LINDA MORAD**

**ABSENT: COUNCILLOR DEBORA COELHO**

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Councillor Dunn called the Ordinance Committee Meeting to order and took attendance. Everyone was present except for Councillor Coelho.

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Notice, City Clerk of reference of a WRITTEN MOTION, Councillor Dunn, requesting, that the City engage MassDevelopment to craft an Ordinance to enable implementation of the PACE Program, the program is a tax-based financing mechanism that enables low-cost, long-term funding for energy improvements and is designed to promote capital investment and economic development by providing financing and development solutions (To be Referred to the Committee on Ordinances.) (Ref'd 12/12/19) was received and placed on file by Councillor Gomes and seconded by Councillor Lopes. (1)

Councillor Lima asked how this item made it to the City Council and Councillor Dunn explained that the item is with the City Council and they would hear the item and make their recommendation to the Mayor.

Councillor Markey asked Ms. O'Malley to explain the program and she stated that it is a program that provides loans to corporations to help them outfit their businesses with sound hearing and lighting. It is an alternative loan program; the financing is tied to the property as opposed to the person. When a business is sold, if there is still a loan out on the property, the new owners would assume responsibility for the remaining loan. The program is under MGL and the city would bill and collect the payments. If there is a loan and a person go bankrupt and a lien is placed on the property by the lender, does a municipal lien for lack of paying taxes take precedent; the answer was yes.

Councillor Lopes asked about the terms and rates for assessment, the applicant gets to choose who they want to work with for the capital provider. The Capital Provider is the entity that will loan the money to install the energy efficient property. He also asked if they were walking the applicant through the financing and he was told yes.

Councillor Lopes asked if the developers must be approved by PACE. He was told there is a statue number of requirements guidelines with MassDevelopment. He asked how many communities are they handling now? He was told twenty (20) municipalities have signed on that are a similar size of the city.

Councillor Gomes asked Ms. O'Malley to forward the Committee a list of the twenty (20) municipalities.

Councillor Morad asked why the lien follows the property because when properties are sold with liens on it, the liens are paid at the closing. She was told that it follows the business owner, because the new owner of the property will be reaping the savings from the installation of the property. She was told these loans are commercial and not residential and does include five (5) or more unit apartments. Councillor Morad asked if Freddie Mac and Fannie Mae are not really involved.

City Solicitor McDermott said the city has met with MassDevelopment over the fall and the Administration is generally supportive of the program.

Attorney Gerwatowski said the only issues he sees are the administrative cost, who is going to handle the betterments, not sure of the volume. A betterment lien, if not paying the loan, but is paying the taxes the city would not reimburse MassDevelopment, would then the lien holder be able to take the property?

Ms. O'Malley explained the program reimburses the city for any fees they would incur. They would not reimburse for administrative issues. MassDevelopment does not believe there will be a lot of projects. The program is designed so not to cause issue with the municipality and their ability to collect their taxes.

Councillor Lopes asked how long the program has been in existence and he was told the Governor supported the program in August of 2016, when it was signed into law. New amendments were signed into law during the summer of 2018. The local level of the program would work with the Regional South East Massachusetts Office. Jay Pateakos would be the local contact.

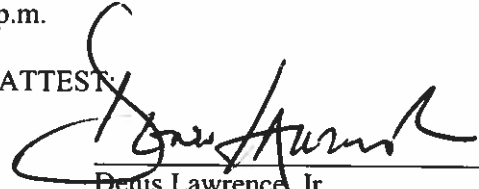
Councillor Markey asked if they would look for credit worthy business? He was told the capital provider will look for credit worthy applicants, who are current on their finances, no defaults. This is complex financing and the applicants do need to be in good standing. The average loan size is typically \$500,000 to \$2,000,000. They have had some applicants secure as high as \$40,000,000.

On motion by Councillor Lopes and seconded by Councillor Markey, the Committee VOTED: To recommend to the City Council that the City Council affirmatively vote to participate in the Commercial Sustainable Energy Program as a participating municipality pursuant to the provisions of Chapter 188 of the Acts of 2016. This motion passed on a voice vote.

Councillor Lima made a motion to adjourn, which was seconded by Councillor Markey.

This meeting adjourned @ 8:09 p.m.

ATTEST:

  
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Denis Lawrence, Jr.,  
Clerk of Committees