

**A Handbook for  
Receivership of Abandoned  
and Problem Housing**

**By**

**Chelsea Restoration Corporation**

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## **Why You May Want to Consider Court-ordered Receivership in Response to Housing Challenges:**



One of the greatest challenges confronting a city like Chelsea is to provide safe and affordable housing for its residents. Recognizing the critical nature of this responsibility, the City, following a period of creative restructuring and professional growth in the early 1990's, explored ways to increase partnerships between the City and local community groups to ensure greater success at problem-solving.

Above all, the various departments within the City Hall began to function together in a virtually seamless manner to propel housing, safety and other initiatives to successful conclusions.

The non-profit Chelsea Restoration Corporation (CRC), which had served the community for 27 years by sustaining and increasing the affordable housing stock with rehabilitation of deteriorating residential property, has a role similar to that of the City as a front-line responder to difficult housing situations. CRC sees itself as a natural partner for the receivership initiative.

Together, the City and CRC have considered this innovative use of existing legal rights, programs and concepts in coordination with available resources to address the frustrating and worrisome situation of property that has been severely neglected or abandoned by the property owner(s).

Very often, the City's Inspectional Services Department would be called to a location by tenants or neighbors (occasionally by other City personnel) who observed or endured egregious violations of health and safety codes. Most of the time, property owners threatened with escalating fines will, at some point, respond to the financial pressure to correct the violations.

However, there are instances when no amount of municipal pressure to force health and safety improvements is successful and/or the time and staff resources necessary to exact compliance is overly cumbersome and, for a variety of reasons, the repeated

issuance of citations, escalating fines and court-affirmed complaints have little impact.

Sometimes the responsible property owner can be difficult to pinpoint, due to elaborate partnerships and trust agreements, not to mention numerous liens and mortgages, which all have disjointed ownership interests. These “straw” parties or convoluted partnerships are able to ignore the City’s attempts at forcing remediation because notification is not making its way to the true managing owner.

Some property owners are enormously talented at avoiding their legal obligations under housing and safety codes and lead the City on a trail of stalemates and legal challenges.

Sometimes, it is as simple as having a property owner who is incapable of straightening out his/her financial holdings and is overwhelmed by the enormity of the rehabilitation that may be required to conform with codes.

A property owner may be sick or have passed away, leaving the property intestate and abandoned by virtue of ownership ambiguities brought on by drawn-out probate conflicts.

While there are times when the market rate value of property is high and the potential sale option will usually compel an owner to maintain their property in order to maintain its value, owners who are not contemplating any future sale – those who just want a continual flow of rents – may not be responsive to the pressure of the market to impel maintenance of the property. The problem is exacerbated when the real estate market is down and owners are discouraged that their expenditures on maintenance will be recouped in a future sale.

Despite the best efforts of Inspectional Services, a small number of properties will draw an excessive amount of City resources in staff time for monitoring the violations, issuing paperwork and appearing in court. As the time increases between the point the City realizes the property is in violation and the time a problem is resolved, it is always feared that the code violations will develop into greater danger to the tenants of that property.

A municipality could pursue criminal complaints against a property owner, but experience tells us that it is little more



successful than other attempts at getting an intractable owner to redress the violations, while bringing the costs of the pursuit to a higher level. In the opinion of some experienced attorneys, the courts are not always inclined to treat the complaints seriously enough to produce a result consistent with the amount of time, money and resources a City expends in requesting that criminal charges be issued.

Other forces come into play in a situation where a property owner avoids the costs of ownership and abdicates their financial obligations; it may be that taxes are in arrears on the property, further aggravating the grievance the City might have in the matter.

There might be a mortgagee or other creditor with a security interest in the property who is owed money and who can move to place liens on or foreclose on the property, but creditors are often reluctant to write off recoverable funds or to acquire the property themselves if they are not interested in taking on risks and associated problems of holding and later selling a substandard property.

Clearly, code enforcement efforts against an illusive and non-cooperative target are usually inefficient and ineffective. In the past, Chelsea would have considered acting on a complaint, expending resources on efforts that went nowhere, and might eventually condemn the building, forcing the eviction of the tenants and creating an empty, boarded-up building that became a danger to the neighborhood, as well as bringing on suits and legal challenges by the owners.

The true losers in this scenario are the occupants of the site who live in potentially dangerous conditions; neighbors who have to worry about the site being taken over by vagrants who might inadvertently spark a fire. The building could become the "home" of criminal activity. The community will then have to deal with the emotional impact of living with an eyesore that drains a sense of community spirit and discourages psychological investment in the neighborhood.

In recent times, the above-described status quo was no longer acceptable for Chelsea. The City's partnership with Chelsea

Restoration Corporation in the receivership of difficult residential properties became the last, best option to turn unsalvageable property into useful, safe and, when possible, affordable housing.

As a remedy, receivership is not yet widely utilized throughout the state. The effort to take over a neglected, abandoned or dangerous property requires a committed team of municipal and other local public agencies who are willing to spend an ongoing amount of top-level professional staff time on these problem properties.

But for a community like Chelsea, where the level of congestion in the housing stock can (and has) led to serious fires, abandoned property and dark areas make policing more difficult, and where only a moment's lack of focus allows urban blight to make serious inroads, receivership was an alternative solution that inspired immediate commitment by officials across the board.



## The Many Facets of Receivership



Receivership for the purpose of overseeing the rehabilitation of residential properties with persistent, unremedied code violations was enacted in 1993. Section 127I of Chapter 111 of the Massachusetts General Laws (“Receivership Statute”) (**see Attachment A**) was drafted with the intent of permitting tenants and other occupants of residential properties to seek the appointment of such a receiver with independent authority to undertake required repairs after notice and to provide a cure to the landlord and creditors of record. The receiver is granted broad powers to secure, rehabilitate, manage and maintain the subject premises in order to insure that they are safe and secure.

*Simply stated, a receiver that is appointed by the court is taking on the task, on behalf of the occupants of a residence, to rehabilitate that property and to eventually turn it back over to the owner. This means the receiver must be an individual or organization which has substantial enough resources to put forth the full cost of the rehabilitation up front, with the leverage of holding the property for a proscribed amount of time in which the repayment of expenses must be made by the owner. If those payments are not made by a court-approved date, the receiver can move for foreclosure in order to recover the funds expended and to pay off other creditors.*

Those individuals or groups that may serve as receiver include a community development corporation, non-profit corporation, private individuals, charities, developers, general contractors, and/or government officials.

The Receivership Statute provides that the receiver may borrow funds to undertake the repairs, to grant mortgages on the property and/or assign the priority lien to its creditor(s). The receiver may also rent the property to new tenants or reintroduce the existing tenants once the code violations have been

eliminated. Any rents collected from new or existing tenants may be used to offset the receiver's expenses.

One of the important feature is that the receiver "steps to the front of the line" when liens for recovery of costs incurred are attached to a property. The receiver receives priority status ahead of other pre-existing liens and creditors (except outstanding municipal liens).

Properties may be occupied or unoccupied; if unoccupied by legal tenants, there is sometimes the danger that transients are in the property. Receivership can be requested when there is proof of frequent unauthorized habitation.

Requests for the assignment of a receiver can be made to either the district court, housing court or superior court. The timeliness of the order may be an important consideration in deciding which court to approach for receivership. Receivership provides a limited scope of receivership liability related only to the work the receiver actually does for the property in question.

Receivership is one potential solution for dealing with distressed properties. It should be viewed as a component to an overall abandoned housing strategy that may also include regular code enforcement efforts, nuisance suits, real estate tax liens and environmental takings.

Any foreclosure on property would require a public auction, in order to eliminate the pre-existing security interests in the property. A receiver may foreclose on the property to collect outstanding sums owed. Auctioning the property means that a buyer will be satisfying all previous creditors with the purchase. In a public auction, however, there is no guarantee that either the prior owner or speculators will not tender a bid greater than the outstanding receiver's lien and in excess of the bids of any potential owner-occupiers, which are, of course, more desired as property owners, in general.

In this Statute, incentives can be given to encourage bidding by owner-occupiers. For example, a non-profit receiver can agree to waive their management fees (above the out-of-pocket expenses). In conjunction with that, a municipality might agree to a relaxed schedule of repayment of taxes if bought by a bona-fide owner-occupier.

## Criteria for Determining Which Properties to Choose for Receivership



There are some fundamental steps to perform in preparing to launch a receivership initiative. As mentioned earlier, there must be a broad-based recognition by city officials that abandoned or neglected properties are impacting the community or the quality of life in a particular neighborhood in a deeply negative way – perhaps not yet a crisis, but a situation that drives an unavoidable consensus that the problem is something demanding a very high priority.

*"The City manager has to be willing to devote resources to the effort...it represents a larger public policy point of maintaining affordable housing..."*

Once the determination has been made that receivership is necessary, the team of municipal professionals who will be working together on the issue – health, safety, housing, inspectional and legal staff – can join with interested community groups to identify the “Top Ten” candidates for consideration.

Criteria for prioritizing abandoned properties can include:

Cost-effectiveness	Budget constraints may limit rehabilitation costs. Anticipated expense figures should include acquisition, as well as hard and soft construction costs.
Neighborhood Impact	The rehabilitation of a particular property should improve the overall

quality of the immediate neighborhood, particularly if the property constitutes a significant neighborhood blight in its own right.

#### Health & Safety

Does the property constitute a hazard to tenants and to other occupants? If vacant, does it constitute a hazard to contiguous residences and abutters?

#### Open-space

Does the property constitute needed housing or is open space at the location more appropriate? (Most judges are not interested in allowing the taking of a person's property for permanent disposition or demolition; it should be approached with the assumption that receivership will result in the return of the property after rehabilitation is done and restitution of funds is made. Foreclosure may be an ultimate result of the receivership, but you should not aim for the taking of a property as you undertake this initiative).

#### Community Plan

A "master plan" for the community can be taken into consideration when deciding the priority of various properties to be addressed.



**Full Documentation  
+ Accurate Research  
= Successful Receivership**

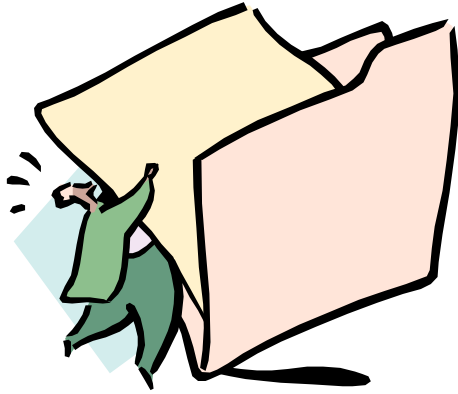


It cannot be over-emphasized that your ability to fully document the violations at a property as well as those (futile) efforts you've made to communicate with owners about those violations is critical to the successful granting of a receivership. Your claim for the need of receivership must be more than obvious to a court who is, perhaps, not only unfamiliar with (even leery of) the mechanism of receivership, but who may also be fundamentally reticent to arbitrarily take someone's property away from them.

A case should be made that the property is so in violation that the city would be fairly negligent in not seeking the remedy. It must be clear that the party seeking receivership also does not want the owner to lose their property, but that the ultimate rehabilitation and future maintenance of the property is the only outcome being sought. You should be ready to point to the proposed receiver's capacity and credibility to serve as a receiver.

Fortunately, bringing a request for receivership often turns out to be the key impetus for an owner who "could not get his/her act together" to manage rehabilitation of the property, simply needing to be forced to focused on the task at hand. Many are willing to respond to a reasonable schedule by which to accomplish repairs, which they were not aware could be negotiated.

The owners in such a case could surprise you and respond before a receiver is appointed, especially if the court is convinced that the owner will make a sincere effort to resolve the issue without finalizing the appointment of a receiver. Even when receivership is granted, they might find the task was actually more "do-able" than they had thought and might complete the work ahead of the court-outlined schedule. Or they (typically) may drag the process out, but eventually complete the work to the satisfaction of all. Detailed chronicling of the process and meticulous accounting of the finances involved in the receivership



will put you in good stead the next time you need to request one.

However, as you bring your case in good faith to a court to apply for relief by means of receivership, be aware that the very worst owner-offenders are highly practiced at evading their responsibility and have the ingenuity, oftentimes, to delay,

stall, demand, object, renege, and otherwise contort the process so that the level of frustration in working through the receivership is acute. Keep in mind that the goals of the receivership effort are of surpassing importance, and that the results of a safe, affordable rehabbed property will ultimately compensate for the experience.

It is in these difficult cases that impeccable documentation, irrefutable facts, research and follow-through will be your means of triumph on behalf of aggrieved tenants and a grateful community.



## **Investigative Components In Documenting Your Case for Receivership**



You will want to identify the real owner of a property, and it may seem like a simple thing to do. However, as mentioned above, it is possible to create partnerships and trust agreements that make it difficult to identify the actual owner. You may get to court and find out that the person who should have been named in the code citations isn't, and the counsel for the property's owner can claim that proper notification of the violations was never made. Obtaining a title run-down from the Registry of deeds is a necessary first step to identify who holds an interest in the property.

It may be that the person cited for the violations is later replaced when the notification of a receivership hearing is issued, so that counsel for the "new" "pop-up" property owner can claim they were not the owner of record when the citations were issued.

***"If you can check the records the day before  
a hearing, do it! Just so that you don't get  
caught by surprise in front of the judge."***

***- Carol Martinez***

The check for an owner of record at the Registry of Deeds must be made intermittently during the entire process. Especially be sure that you check the records just before you are scheduled to appear in court to request receivership.

To determine ownership, search the Registry of Deeds for a copy of the most recent title/deed.

You want to be sure to have an accurate accounting of the creditors associated with the property so that you can describe

the level of financial difficulty the owner is having, as well as to prepare for the costs associated in taking over management of the property's restoration and/or foreclosure, if needed.

To determine what encumbrances are attached, such as what mortgages are held on the property, as well as the liens (municipal and otherwise) that will affect the financial circumstances of the property, visit the Assessor's Office and the Tax Collector.

Keep an accurate and detailed log of the complaints of code violations that occur in relation to this property.

For listings of such complaints, contact the Inspectional Services and Health Departments, where code violation citations are generated. Also, find out if there is any record of complaints on file at public safety departments, such as Police and Fire.

As soon as a problem property comes to your attention as a possible candidate for receivership, you may want to request these departments to pay particular attention to the record-keeping of any violations/citations/complaints regarding that property.

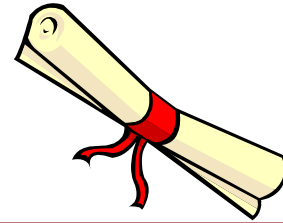
Conduct a Site Visit in order to have first-hand knowledge of the conditions, as well as to photograph violations. Bring the appropriate municipal official with you.

Remember – keep periodically updating your information, especially as the date for the hearing on the request for receivership approaches.

***"The key to a successful petition for receivership is the thoroughness of the Inspectional Services personnel, and the staff here in Chelsea is exceptional."***

***Kim Driscoll***

## **Your Petition to the Court for the Appointment of a Receiver**



Basic information your petition for receivership (**see Attachment B**) should contain includes:

State the parties involved in the action; for instance, the petitioner is typically the inspectional services or health department of a municipality, and, as stated above, the owner should be properly identified in the action. The choice of receiver for the property, with a description of their qualifications for the designation, should be introduced to the court in your petition.

Include a statement that describes the inspection that was conducted on the property and list what code violations were found to exist at the site. It is recommended that you attach a true copy of the inspection report, as well as any police/fire reports. Normally, prior to filing a petition for receivership, the city has forwarded numerous items of correspondence to owners informing them of the code violations and seeking remediation. This correspondence, along with a chronology, should be included with the petition.

Describe how these violations create a dangerous or unhealthy condition for the occupants of the building. Be sure to include the negative impact these violations have on unauthorized transient occupiers, passers-by, abutters, etc. While you may elaborate on the destructive effect the property has on the community in general, the welfare of occupants/tenants will be the foremost concern of the judge.

Make it clear that the condition of disrepair or damage was not caused by the tenant(s), but arose through neglect of maintenance by the owner of the property.

Include in your petition what is known in legal language as a "Prayer for Relief," which could result in several remedies, such as a temporary restraining order, a preliminary injunction, a permanent injunction, and orders regarding rental payments .

## **Filing Your Petition and Scheduling a Hearing**



The Order of Notice that is required mandates that the owner of record appear within 14 days following the issuance of the notice to file a response and to submit to a hearing.

*"This can be fun, especially where your local district court is unfamiliar (as most are) with this statute. It is highly recommended that you bring a copy of G.L. c. 111, § 127C through 127 I with you."*

*- Frank F. Russell*

Oddly, there is a provision that requires the respondent to file a list of mortgagees and lienors of record, and that the petitioner then give notice to those mortgagees and lienors within 14 days of the hearing. So working out sufficient notice after the filing of the listing of mortgagees and lienors is necessary.

### **At the hearing:**

The court will want to know if, facing a hearing for the appointment of a receiver to their property, the owner has made any attempts to remedy the situation before appearing in court.

At the hearing, be sure that the inspector is able to say that the violations still exist; try to go by the property the morning of the hearing to make sure; a respondent will usually attempt to convince the court that the violations "are being taken care of." In that case, inquire as to the existence of any contracts for work, or whether building permits have been pulled for the "work."

It may be difficult to have a tenant speak on behalf of the City, although it happens from time to time.

The respondent's input during the hearing can range from real, factual information and sincere testimony to outrageous

untruths about the condition of the property, the existence of tenants, the motivation for the petition, the transactions between him/herself and municipal staff, and the level of hardship it is all inflicting upon them.

Detailed testimony backed by hard data and exhibits will result in a successful hearing for the petitioner.

Bring a proposed receivership order with you to the hearing, and provide a copy to the respondent of his/her counsel, as well as the judge.

Once again, having a copy of the Statute for perusal by the judge is advised.

Be prepared to respond to a judge's request for you to furnish a bond or insurance coverage. You can make a case that the municipality is self-insured, and the subject may never even be broached by the judge.



## The Order for Receivership



If you have adequately explained the situation with the property, and the remedies that are needed to satisfy your complaints, the order for receivership should closely resemble the specific recommendations contained in your suggested draft order you submitted during the hearing.

Receivership orders (**see Attachment C**) should at least contain:

- A recitation of proper notice that was given, as well as the opportunity that was provided to be heard;

- A finding of the problems on the property which form the basis for the order;

- A list of the powers of the receiver (**see Attachment D**) ;

- A date for completion of the receiver's obligations;

- A statement that the order must be recorded in the appropriate Registry of Deeds;

- A date for a further hearing;

An outline of the receiver's duties to the court (**see Attachment D**).

Once a receiver has been appointed, be sure to record a certified copy of the order at the Registry of Deeds in order to provide notice of the receiver's appointment.

## Financial Aspects of Managing Property Under Receivership



The entire reason for receivership is to allow for adequate funding of the safe and healthy rehabilitation of a distressed, abandoned or dangerous property. Therefore, the acquisition of funds for the work, the application of those funds and the recouping of those funds to conclude receivership will be the entire focus of the court.

The records that you provide the court on these financial transactions will have to be in complete and good order. Therefore, the choice of receiver must be made with this consideration in mind, or the effort will run afoul of the court.

The receiver may be ordered by the court to provide periodic reports on the financials, as well as the work accomplished. Generally, subsequent appearances in court will be regularly scheduled, but that schedule may be relaxed when the court becomes familiar with a particular receiver's ability to perform their duties.

The final account (**see Attachment E**) will include:

The Projected Budget that was created at the onset of a receivership (**see Attachment E**);

The sources of funds acquired for the management of rehabilitation of the property (**see Attachment E**);

The breakdown of actual expenditures in relation to the projected costs (**see Attachment E**);

A description of the additional legal, technical and

administrative costs above and beyond the actual construction/relocation costs (provided it was necessary to house tenants while unsafe conditions were being remedied), any liens that were placed by the receiver on the property to satisfy the recovery of costs, as well as any costs associated with foreclosure and sale of the property. Do not underestimate the costs incurred to your organization for administering the receivership. Unexpected delays or problems that require a deeper commitment of staff time should be anticipated (**see Attachment E**).

Copies of any important contracts, receipts, spreadsheets, letters, diaries of work accomplished, etc. that may be necessary to illustrate an expenditure (**see Attachment E**).

A very particular report of events, so that the court can see that a certain action by the receiver or the owner, etc., led directly to a certain cost (**see Attachment E**).





## In Summary.....

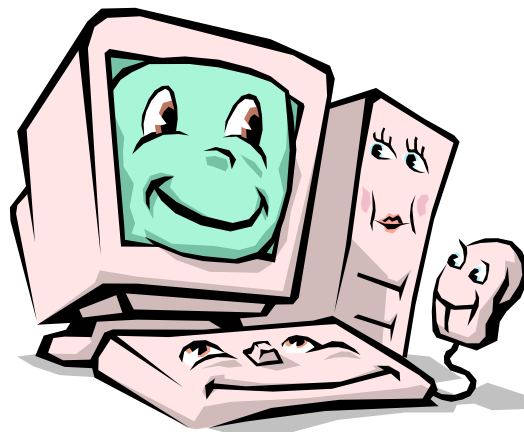


Receivership over an abandoned property is a complicated solution to a glaring problem in the community, but it generally offers the most advantageous outcome for all parties concerned.

A complete commitment to seeing receivership through in a thorough and competent manner is required of the municipality's top officials, as well as the broad spectrum of partners that will be working together on the receivership.

Above all, the temptation to be discouraged along the way by the impressive set of obstacles put forth by a recalcitrant owner can be countered by means of a solid work product and a convivial relationship between all parties attempting to accomplish the receivership.

In other words - work well and smile!





# **Attachment A**

## **Receivership Law**



**§ 127I Dwellings, etc. Unfit for Human Habitation; Powers and Duties of Receivers, etc.**

Upon the filing of a petition to enforce the provisions of the sanitary code, or any civil action concerning violations of the sanitary code by any affected occupants or a public agency, whether begun in the district, housing, or superior court, and whether brought under section one hundred and twenty-seven C or otherwise, the court may: issue temporary restraining orders; preliminary or permanent injunctions; order payment by any affected occupants to the clerk of court; in accordance with the provisions of section one hundred and twenty-seven F; or appoint a receiver whose rights, duties and powers shall be specified by the court in accordance with the provisions of this section.

Upon receipt of service of any petition in which the appointment of a receiver is sought, the owner shall provide to the petitioner, within three days, a written list of all mortgagees and lienors of record. At least fourteen days prior to any hearing in any such proceeding, the petitioner shall send by certified or registered mail a copy of the petition to all mortgagees and lienors included in the owners list as well as to all other mortgagees and lienors of which the petitioner may be aware, and shall notify them of the time and place of the hearing. Upon motion of the petitioner, the court may order such shorter periods of prior notice as may be justified by the facts of the case.

Whenever a petitioner shows that violations of the sanitary code will not be promptly remedied unless a receiver is appointed and the court determines that such appointment is in the best interest of occupants residing in the property, the court shall appoint a receiver of the property. Any receiver appointed under this paragraph may be removed by the court upon a showing that the receiver is not diligently carrying out the work necessary to bring the property into compliance with the code, or that it is in the best interest of any tenants residing in the property that the removal occur.

No receiver shall be appointed until the receiver furnished a bond or such other surety and provides proof of such liability insurance as the court deems sufficient in the circumstances of the case. Upon appointment, the receiver shall promptly repair the property and maintain it in a safe and healthful condition. The receiver shall have full power to borrow funds and to grant security interest or liens on the affected property, to make such contracts as the receiver shall deem necessary; and, notwithstanding any special or general law to the contrary, shall not be subject to any public bidding law nor considered a state, county or

municipal employee for any purpose. In order to secure a payment of any costs incurred and repayment for any loans for repair, operation other liens or mortgages except municipal liens, and such lien property may be assigned to lenders for the purpose for securing loans for repair, operation, maintenance or management of the property. No such lien shall be effective unless recorded in the registry for the county in which the property is located.

The receiver shall be authorized to collect rent and shall supply the rents to payment of any repairs necessary to bring the property into compliance with the sanitary code and to necessary expenses of operation, maintenance and management of the property, including insurance expenses and reasonable fees of the receiver, and then to payment of any unpaid taxes, assessments, penalties or interest. An excess of income in the hands of the receiver shall then be applied to payments due any mortgagee or lienor of record.

Nothing in this section shall be deemed to relieve the owner of property of any civil or criminal liability or any duty imposed by reason of acts or omissions of the owner, nor shall appointment of a receiver suspend any obligation the owner or any other person may have for payment of taxes, of any operating or maintenance expense, or of mortgages or liens, or for repairs of the premises.

The receiver shall be liable for injuries to persons and property to the same extent as the owner would have been liable; however, such liability shall be limited to the assets and income of the receivership, including any proceeds of insurance purchased by the receiver in its capacity of receiver.

The receiver shall in no instance be personally liable for actions or inactions within the scope of the receiver's capacity as receiver. No suit shall be brought against the receiver except as approved by the court which appointed the receiver. Nothing herein shall be construed to limit the right of tenants to raise any counterclaims or defenses in any summary process or other action regarding possession brought by a receiver.

The remedies set forth herein shall be available to condominium unit owners and tenants in condominium units. Whenever used in this section, the term "petitioner" shall include a condominium unit owner or tenant, the term "owner" shall include a condominium association the terms "mortgagees" and "lienors" shall include mortgagees and lienors of individual condominium units, and the term "rents" shall include condominium fees. The receiver shall have the right to impose assessments upon individual condominium units for payment of expenses incurred in the exercise of his powers, which liens shall have priority over all other liens and mortgages, except municipal liens.

The receiver shall file with the court and with all parties of record, on a bimonthly basis, an accounting of all funds received by and owed to the receiver, and all funds disbursed, and shall comply with such other reporting requirements mandated by the court, unless, for cause shown, the court determines that less frequent or less detailed reports are appropriate; provided that said notice shall not

be less than five days.

History –

Amended by 1992, 407, § 10, approved Jan. 14, 1995, effective 90 days thereafter.

Editorial Note –

The 1992 amendment substituted this section for one which read: “Upon appointment such receiver shall post such bond as may be deemed sufficient by the court, shall forthwith collect all rents and profits of the property as the court shall direct and use all or any of such funds, or funds received from the commonwealth as hereinafter provided, to enable such property to meet the standards of fitness for human habitation. A receiver shall have such powers and duties as the court shall determine, including the right to evict for nonpayment of rent. A receiver may be a person, partnership or corporation.”

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**Public Health**

**C. 111, § 127J**

**§ 127J Petition by receiver to apply for financial assistance; notice and hearing; financial assistance; lien**

A receiver may petition the court for leave to apply for financial assistance from the commonwealth to supplement funds otherwise available from rents, if he deems that the rents are insufficient to effectuate the necessary repairs or rehabilitation. Seven days’ notice of a hearing on said petition shall be given to the respondent as well as any mortgagees or lien holders of record. The court, after hearing, may, by decree, authorize the receiver to apply for such financial assistance, if it finds such assistance necessary, that it is in a reasonable amount and that the sum required to repair and rehabilitate the premises is not so excessive as to constitute an imprudent and unreasonable expenditure to accomplish the purpose.

Application for financial assistance shall be made to the department of public health in such a manner and on such forms as may be prescribed by said department.

Said department may expend for such assistance such sums as may be appropriated therefor.

The receiver shall return any unused portion of any sums received by him to the commonwealth. The balance owed by the receiver to the commonwealth shall, together with interest thereon at the rate of six percent per annum, constitute a debt owed the commonwealth, upon the rendering of an account therefor to the owner of record, and shall be recoverable from such owner in an action of contract. Any such debt, including interest thereon, shall constitute a lien on the property involved, if a notice of such lien is recorded on behalf of the commonwealth in the proper registry

of deeds within ninety days after the debt becomes due.

Any proceeding under this section may be advanced for speedy trial.

Added by St. 1965, c. 898, § 3.

**Historical Note –**

St. 1965, , c. 898, § 3 was approved Jan. 7, 1966.



# **Attachment B**

## **Sample Petitions for Receivership**

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS

THE TRIAL COURT  
CHELSEA DIVISION  
DOCKET NO:

CITY OF CHELSEA,	)
Petitioner	)
	)
V.	)
	)
	)
<u>Respondent</u>	)

PETITION OF THE CITY OF CHELSEA TO ENFORCE THE  
STATE SANITARY CODE AND APPOINT A RECEIVER

This is a Petition by the City of Chelsea, seeking enforcement of the provisions of the State Sanitary Code (the "Code"). The property owned by the Respondent has numerous long-standing code violations that pose a serious risk to the health, safety and well-being of occupants, abutters and residents of the community.


JURISDICTION

A TRUE COPY ATTEST


1. The jurisdiction of this Court is founded upon the general equitable powers of General Laws c.111 § 127I and c.185C § 3.
2. The Petitioner, City of Chelsea, is a municipal corporation with a usual place of business at 500 Broadway, Chelsea, Suffolk County, Massachusetts.
3. The Respondent, \_\_\_\_\_, is the owner of the premises known as 164 1/2  
Chester Avenue (the "property"), Chelsea, Suffolk County, Massachusetts. The  
Respondent's residential address of record is \_\_\_\_\_  
Massachusetts

*Thomas H. Murphy*  
CLERK MAGISTRATE

5/21/02  
*allowat*  
*D.K. Hobbs*

<b>CIVIL DOCKET</b>		DOCKET NUMBER <b>200114CV001452</b>	Trial Court of Massachusetts District Court Department	
CASE NAME CITY OF CHELSEA vs.			CURRENT COURT Chelsea District Court 120 Broadway Chelsea, MA 02150-2641 (617) 660-9200	
ASSOCIATED DOCKET NO.	DATE FILED 01/03/2002	DATE DISPOSED 00/00/0000		
PLAINTIFF(S) P01 CITY OF CHELSEA C/O PATRICKM. RYLE 500 BROADWAY CHELSEA, MA 02150			PLAINTIFFS ATTORNEY PATRICK MICHAEL RYLE 500 BROADWAY CHELSEA, MA 02150 (617) 889-8280	
DEFENDANT(S) D01			DEFENDANT'S ATTORNEY	
			<b>A TRUE COPY ATTEST</b>	
<b>DOCKET ENTRIES</b>				
NO.	ENTRY DATE	DOCKET ENTRIES		
1	01/23/2002	Case added to BasCOT computer system; see earlier manual docket for prior docket entries on 01/03/2002 at Chelsea District Court.		
2	01/23/2002	Appearance for City Of Chelsea filed by Attorney PATRICK MICHAEL RYLE 500 Broadway Chelsea MA 02150 SS # 832389; <i>Kevin H. Murphy</i> <b>CLERK MAGISTRATE</b>		
3	01/23/2002	MOTION SCHEDULED FOR HEARING on 01/24/2002 09:00 AM.		
	1-24-02	Order and Agreement for Judgment approved } <i>L. L. L. L.</i> Stayed until 1-31-02		
	3-5-02	Proposed Order approved } <i>Lavrenzano, J.</i> Stayed until 4-9-02 9:00 am		
	4-9-02	Court to 4-10-02 9:00 am		
	4-10-02	Agreement for Judgment filed & approved } <i>L. L. L. L.</i>		
Page 1 of 1	A TRUE COPY, ATTEST:	CLERK-MAGISTRATE/ASST. CLERK <b>X</b>	REVIEW 5-21-02	DATE



<b>Civil DOCKET</b>		DOCKET NUMBER <b>200114CV001452</b>	Trial Court of Massachusetts District Court Department	
CASE NAME CITY OF CHELSEA vs. THOMAS CARUSO			CURRENT COURT Chelsea District Court 120 Broadway Chelsea, MA 02150-2641 (617) 680-9200	
ASSOCIATED DOCKET NO.	DATE FILED 01/03/2002	DATE DISPOSED 00/00/0000		
PLAINTIFF(S) P01 CITY OF CHELSEA C/O PATRICK M. RYLE 500 BROADWAY CHELSEA, MA 02150			PLAINTIFF'S ATTORNEY PATRICK MICHAEL RYLE 500 BROADWAY CHELSEA, MA 02150 (617) 889-8280	
DEFENDANT(S)/OTHER SINGLE PARTIES D01			DEFENDANT'S ATTORNEY  <b>A TRUE COPY ATTEST</b>	
NO.	ENTRY DATE	DOCKET ENTRIES		
1	01/23/2002	Case added to BasCOT computer system; see earlier manual docket for prior docket. <i>Thomas Caruso</i> Chelsea District Court.		
2	01/23/2002	Appearance for City Of Chelsea filed by Attorney PATRICK MICHAEL RYLE 500 Broadway, Chelsea MA 02150 BBO# 632389 <b>CLERK-MAGISTRATE</b>		
3	01/23/2002	MOTION SCHEDULED FOR HEARING on 01/24/2002 09:00 AM .		
4	06/18/2002	MOTION SCHEDULED FOR HEARING on 07/02/2002 09:00 AM . to have Chelsea Restoration corp. named as Receiver.		
	7-2-02	<i>City of Chelsea's Proposal for Restoration thru the Chelsea Restoration Program is hereby approved</i> <i>W. H. Buckley</i>		
Page 1 of 1	<b>A TRUE COPY, ATTEST:</b>	CLERK-MAGISTRATE/ASST CLERK <b>X</b>	DATE	

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS

CHELSEA DISTRICT

CASE NO. 01 CV

CITY OF CHELSEA

PETITIONER

v.

RESPONDENT

AMENDMENT TO  
AGREEMENT

THIS 10TH DAY OF APRIL, 2002, THE PAI

IN THE ABOVE-ENTITLED MATTER HEREBY

THAT:

- (1) MATTER WILL COME FOR COURT REVIEW ON TUESDAY MAY 21 AT 9:00 A.M.

A TRUE COPY ATTEST

Kevin H. Murphy  
CLERK MAGISTRATE

(2) RECEIVERSHIP SHALL BE STAYED UN-  
TIL AT LEAST THAT TIME;

(3) CPELGRA TO REVIEW BUILDING PERM  
APPLICATIONS WHEN FILED AND TO  
EXPEDITE IT IN ISSUING NECESSARY  
PERMITS, PROVIDED APPLICATION COMP  
WITH ALL APPLICABLE RULES + REG

↓

↓

(4) PAYMENT OF \$10,000 TO BE MADE  
IMMEDIATELY UPON THE ISSUANCE OF ABOVE  
PERMITS;

(5) A PLAN OF ACTION WILL BE  
PRESENTED TO THE COURT ON MAY  
21<sup>ST</sup> ~~FOR~~ <sup>THE</sup> SETTING  
OUT THE TERMS OF COMPLETED  
RENOVATION;

(6) ~~THE~~ THE PARTIES AGREE TO MEET  
EVERY 5<sup>TH</sup> WEEKS AFTER MAY 21<sup>ST</sup>  
FOR A REVIEW OF THE PROGRESS  
AT THE PROPERTY;

(7) PAYMENT OF \$3143 TO RECEIVER (PAYMENT IN FULL TO DATE) UPON ISSUANCE OF ABOVE PERMITS.

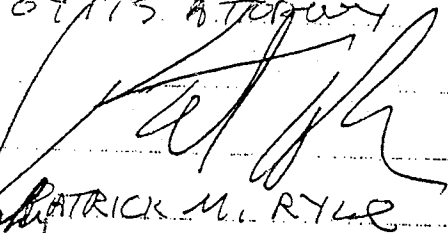
(8) RESPONDENT AGREES TO PAY ALL TAXES DUE AND OWING TO THE CITY OF CHELSEA UPON RENOVATION COMPLETION.

**A TRUE COPY ATTEST**

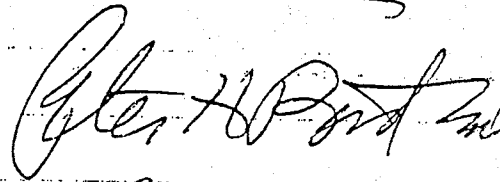
THE CITY OF CHELSEA  
BY ITS ATTORNEY

RESPONDENT

*Kevin H. Murphy*  
CLERK MAGISTRATE



PATRICK M. RYLE  
500 BROADWAY  
CHELSEA, MA 02156  
(617) 889-8280  
880 632389



SOBERAUST  
BOSTON, MA 02108  
617-720-0911

4/10/02  
*[Signature]*



# **Attachment C**

## **Sample Receivership Orders**

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

THE TRIAL COURT  
HOUSING COURT DEPARTMENT  
CITY OF BOSTON DIVISION  
CIVIL ACTION NO.

\_\_\_\_\_  
ATTORNEY GENERAL FOR THE  
COMMONWEALTH OF MASSACHUSETTS,  
Petitioner,

vs.

Respondent.  
\_\_\_\_\_

)  
)  
)  
)  
) PROPOSED FORM OF ORDER ON THE  
) PETITION TO ENFORCE THE STATE  
) SANITARY CODE AND FOR  
) APPOINTMENT OF A RECEIVER  
)  
)

1. Introduction. Pursuant to G.L. c. 111, §127I and the general equity powers of this Court, following a hearing on Wednesday, July 10, 1996, the Court hereby finds with respect to the property located at Massachusetts (the "Property"):

2. Parties. The Petitioner in this action, L. Scott Harshbarger, Attorney General for the Commonwealth of Massachusetts, is a public official under the constitution and laws of the Commonwealth of Massachusetts. The Respondent, \_\_\_\_\_, is the absentee-owner of the Property whose address of record is \_\_\_\_\_

3. Procedural Posture. The Property is an abandoned and unsecured, multifamily dwelling which fails to meet the minimum standards of decency for human habitation. By certified letter dated June 3, 1996, the Petitioner placed the Respondent on 30-day notice of its intention to seek enforcement of the State Sanitary Code ("Code") and that it may petition the Housing

Court for the appointment of a receiver. To date, the Respondent has given no indication that he intends to undertake the repairs required to bring the Property into compliance with the Building and State Sanitary Codes.

On July 2, 1996, the Petitioner filed its Petition, a Motion To Reduce Time For Notice To Mortgagees And Lienors and a Motion For Alternative Service Of Process. Both motions were allowed by the Court. On July 2, 1996, the Petitioner provided the Respondent and the only creditor of record, the City of Boston, with notice of the hearing on the Petition by certified mail, return receipt requested. The return receipt from the Respondent was received by the Petitioner's Office on July 8, 1996.

On July 10, 1996, following a hearing on the merits, Chief Justice Daher granted the Petition which included the Petitioner's request to appoint the Fields Corner Community Development Corporation as the receiver of the Property.

4. Description and Condition of the Premises. The

Property is an unoccupied, multi-family dwelling. It has numerous long-standing Code violations which pose a serious risk to the health, safety and well-being of abutters and residents of the community.

The defective conditions in the Property which have recently existed and/or continue to exist, include, but are not limited to: broken and/or missing doors, broken and/or missing windows, unsafe and dangerous front stairs with missing bricks, rotted front porch with missing railings, and fractured sidewalls.

The present abandoned state of the Property creates a high risk of vandalism, trespass, fire damage and personal injury to abutters and residents of the community. As the Property continues to deteriorate and create greater risks to the general public, there is also a significant risk that it will be destroyed beyond repair without the intervention of this Court.

**THEREFORE**, following a hearing held on July 10, 1996, the Court hereby orders as follows:

5. **Receiver**. The Fields Corner Community Development Corporation, is hereby appointed Receiver of the Property ("Receiver"). This appointment is effective upon the signing of this Order, and will last one hundred and twenty (120) days. Depending upon circumstances that may prevail in the future, this appointment and the terms thereof, as set forth below, are subject to review at the request of any party to these proceedings, at the initiative of the Housing Specialist Department, or by order of the Court.

6. **Authority and Duties of Receiver**. The authority and duties of the Receiver shall be as follows:

(a) To employ companies, persons or agents to perform its duties hereunder.

(b) To deposit all amounts received on account of the Property into a separate account under the control of the Receiver.

(c) The Receiver shall file with the Court and serve upon all parties an inspection report of property within ten (10)

days of the effective date of this receivership, providing a list of all emergency repairs required on the Property. For purposes of this section, "Emergency Repairs" shall refer to those repairs which are immediately necessary to secure the property and correct those violation which pose an immediate risk to the health, safety and well-being of abutters and residents of the community where the Property is located.

If the Property becomes occupied in the future, "Emergency Repairs" shall then include repairs necessary to eliminate violations which materially endanger or materially impair the health or safety of the occupants of the Property.

Any dispute between the parties as to whether a particular violation necessitates an "Emergency Repair" shall be referred to the Housing Specialist, whose determination shall be binding on the parties, unless modified by the Court upon motion by any affected person.

(d) The Receiver shall file with the Court and serve upon all parties a report of an inspection of the property within twenty-one (21) days of the effective date of this receivership, providing a unit-by-unit and common area list of conditions which require repair in order to correct violations of the Sanitary, fire safety, electrical, building and plumbing codes existing at the Property.

(e) To disburse funds received by the Receiver on account of the Property as follows, in the following order of priority:

First to reimburse the Receiver for its actual out-of-pocket expenses incurred in its capacity

as Receiver, including without limitation its reasonable legal fees, its allocable overhead and labor costs, its costs of incorporation, its costs of negotiation of the terms of this receivership and costs of liability insurance ("Receiver Out-Of-Pocket Expenses");

**Second** to secure vacant units of the Property;

**Third** to make "Emergency Repairs" to the Property as defined above;

**Fourth** to make repairs, of conditions which violate the State Sanitary, fire safety, electrical and building codes or ordinances, but which do not rise to the level of "Emergency Repairs" as defined above.

**Fifth** to make payments, to the extent possible, towards any unpaid taxes, assessments, penalties or interest.

**Sixth** to make payments, to the extent possible, to any payments due any mortgagee or lienor of record.

(f) The Receiver shall file with the Court and serve upon all parties within twenty-eight (28) days of the effective date of this receivership, a report setting forth all expenses and disbursements of the Receivership, with attached receipts, and an accounting of all funds received by the Receiver during the period covered by such a report.

(g) After the filing of the initial report described in subsection (f), the Receiver shall file with the Court and

serve upon all parties every eight weeks thereafter, an updated report setting forth all expenses and disbursements of the Receivership, with attached receipts, and an accounting of all funds received by the Receiver during the period covered by such a report. If the Property becomes occupied in the future, the report shall also include a list of all tenants residing at the Property, together with a list of current rental amounts and the status rental payments to date.

The Receiver shall serve upon the Respondent, in a timely manner, copies of all reports, notices and other documents which are required of the Receiver under the terms of this Order.

(h) The Receiver may rent vacant apartments in current compliance with the State Sanitary Code, and may repair vacant units so as to bring them in compliance with the Code. The Receiver is encouraged to rent vacant units wherever possible, so as to minimize the vacancy rate for the Property, and the related security risks associated with vacant units. Policies regarding first month's rent, last month's rent and security deposit for new tenancies shall be left to the discretion of the Receiver.

(i) Should the Property become occupied, the Receiver may collect and receive all rental revenues due from tenants or occupants of the Property as an agent of the Court on or after the first rental period following the effective date of this Order. It shall be the responsibility of the Receiver under this paragraph to account for all receipts according to the

standards set forth in subparagraph 6(f). The Receiver shall not be authorized to raise rents, once set, without leave of Court.

7. Rental Payments and Evictions.

(a) The Receiver may set the initial rent(s) at fair market value.

(b) All rents shall be paid to the Receiver.

(c) Evictions for Nonpayment of Rent

i) In the event the Property becomes occupied during the period of the Receivership, the Receiver shall notify the Court of the names of any tenants who fail to pay rent after the effective date of the tenancy. Upon receipt of such notice, the Court may schedule a hearing to afford the tenant an opportunity to be heard and to provide a determination of the amount of rent owed by the tenant consistent with the condition of the premises.

ii) Evictions for non-payment of rent shall be governed by the Uniform Summary Process Rules, and G.L. c. 186 and 239.

iii) Eviction notices shall (A) explain that an interpreter will be provided, upon request, if the tenant so requires; (B) explain that the tenant may call Greater Boston Legal Services, 197 Friend Street, Boston,



Massachusetts (617-371-1234) for advice on legal rights; and (C) invite the tenant to meet with the Receiver informally to discuss reaching a mutually satisfactory agreement without the necessity of a court hearing.

iv) Upon request by the tenant, the parties shall attempt to resolve the dispute prior to the hearing through mediation.

(d) Evictions for Cause. In the event the Property becomes occupied, the Receiver is granted the right to bring evictions for cause. The Receiver will not be granted the right to terminate tenancies-at-will without cause, or bring summary process actions without cause.

8. Bond and Inventory. The Receiver shall not be required to file a bond, nor shall the Receiver be required to file an inventory, list of encumbrances, list of creditors or any other report required to be filed by Rule 66 of the Massachusetts Rules of Civil Procedure, except as otherwise specifically provided herein.

9. Claims against Receiver. Except as provided in Paragraph 10 of this Order, any residents or occupants of the Property, whether past or future, may not seek money damages from any funds administered by the Receiver. All residents or occupants of the Property retain any and all rights under statutes or common law to proceed against the Respondent or any other appropriate party, other than the Receiver, and/or their agents or employees for money or other damages for claims

rising out of the occupancy of the Property, including any damages that may be incurred or claims that may arise while the Property is under the receivership.

10. Liability and Agency.

(a) As set forth in G.L. c. 111, §127I (as amended), the Receiver or its agents or employees shall be immune from suits for negligence in the performance of their duties herein stated, except to the extent of assets of the receivership.

(b) Without limiting the generality of the foregoing,

(i) The Receiver shall have no responsibility whatsoever to make any repairs or remedy any Code violations or make any advances whatsoever on account of the Property except from the revenues received in its capacity as Receiver of the Property, and except as approved by the Court.

(ii) Should the Property become occupied, the Receiver shall maintain insurance to cover such violations and risks as may be customarily included in standard insurance policies for multifamily dwellings. Beyond the actual payments made by the insurer under an insurance policy, the Receiver shall not be liable in contract, tort, or criminally to any tenant or to any governmental agency on account of the

condition of the Property, any Code violation or otherwise, except for gross negligence or willful, wanton or reckless acts or omissions.

(iii) Neither the Receiver nor its agents or employees shall have personal liability whatsoever in contract or otherwise to any creditor of the Property for actions taken within the scope of the receivership, except for gross negligence or willful, wanton or reckless acts or omissions.

(iv) The Receiver may purchase liability insurance for all risks, including but not limited to gross negligence or willful, wanton or reckless acts or omissions and such insurance may be charged to the expenses of the receivership, and shall given first priority under paragraph 6(e) of this Order.

11. Right to Resign. The Receiver shall have the right to resign at any time by giving seven (7) days written notice to the Court and to the parties. The Receiver's notice of resignation shall include an accounting of all funds received and disbursed during its term as Receiver and, if the Property is occupied, a copy of any rent roll and rental history the Receiver has compiled. Such resignation shall be effective on

the date specified in such notice, provided that the Court may require the Receiver to take such actions after the date specified if the Court determines that such actions are required to protect the health or safety of any occupants and that the Receiver has the capacity to perform such functions consistent with the terms of this Order. Unless otherwise ordered, on the effective date of such resignation, the Receiver shall assign any and all amounts received pursuant to the receivership to the Court or to a successor receiver.

12. Priority Liens and Mortgages. The Receiver may expend its own funds or borrow funds in the event that it believes there are insufficient funds being generated to prevent destruction, waste or loss of the Property, or to address conditions which may materially endanger the health or safety of tenants, occupants, abutters and/or community residents. In order to secure payment of any costs incurred and repayment of any loans for repair, operation, maintenance or management of the Property, the Receiver shall have a priority lien on the Property under the "super-priority" provision of G.L. c. 111 §127I (as amended), fourth paragraph, or under the Court's powers at common law. See, Turner v. State Wharf & Storage Co. 263 Mass. 92, 97 (1928) (priority lien over first mortgage permitted to prevent destruction, waste or loss). Said priority lien shall become effective upon the recording of this Order in the registry for the county in which the Property is located.

13. Notice to Creditors. The Petitioner shall send a copy

of this Order to all mortgagees and lienors of record, a list of which is to be provided to the Petitioner by the Respondent.

The Court notes that it is informed that the Petitioner made diligent efforts to locate and notify the mortgagees and lienors of record of its intention to file the Petition in this action.

14. Sale of the Properties. The Property shall not be sold, encumbered or placed under contract for sale without the prior leave of the Court.

15. Duties of the Respondent. Within 48 hours of the signing of this Order, the respondent shall transfer to the Receiver the right to obtain all keys to apartments and common areas of the premises and its rent roll for all apartments at the Property. The Respondent shall provide the Receiver with reasonable advance notice prior to entering any part of the Property. Within seven (7) days of the signing of this Order, the Respondent shall provide to the Receiver copies of all documents necessary to manage and maintain the property and shall provide the following information:

(a) Mortgages and Liens: the name and address of all mortgagees and lienors of record; the amount of the liens or mortgages.

(b) Insurance: the name, address, and telephone number of all insurance companies and their agents providing insurance coverage for the Property; the amount and type of coverage; the amount and due dates of premiums.

(c) Utilities: the amount of the most recent water, sewer, gas, and electric bills; the amount of any outstanding balance; and the dates and amounts of the last payments.

(d) Real Estate Tax: the amount of the most recent real estate tax bill; the amount of any outstanding balance; the date and amount of the last payment.

(e) Contracts: copies of all warranties for prior work done, service contracts for ongoing maintenance (e.g., for extermination), and all contracts or bids for repairs.

(f) Other: all information relevant to any outstanding expenses relating to the Property.

16. Further Court orders. The Petitioner, the Respondent, the Receiver and other interested parties shall have the right to request from the Court, by motion and with advance notice, further orders consistent with G.L. c. 111, §127I, common law, or the terms of this Order. In the event of emergencies, service of motions to parties on this action by facsimile transmission shall be acceptable.

17. Review by Court. The foregoing Order shall remain in effect for one hundred and twenty (120) days. The Receiver and

all other affected parties shall report on the Receiver's progress to the Court on \_\_\_\_\_ at \_\_\_\_\_ clock a.m./p.m.

18. Effective Date. This Receivership shall take effect on July 10, 1996.

So entered this 10th day of July, 1996.

\_\_\_\_\_  
E. George Daher  
Chief Justice

**NOTIFY**

2/27 ✓

COMMONWEALTH OF MASSACHUSETTS

SUPERIOR COURT  
Civil Action SUCV03-0114-A

2 of all  
SUFFOLK, ss  
notice send

3-26-03

L A S JR  
M + S  
P M R

CITY OF CHELSEA  
Plaintiff

Law Department

v.

MAR 27 2003

Defendant

RECEIVED

ORDER APPOINTING TEMPORARY RECEIVER

Whereas it has been satisfactorily demonstrated to this court that from the time defendant acquired the property at 90-Chestnut Street, Chelsea, Massachusetts in 1998, and continuing to the present day, there has existed an irregular yet chronic, serious risk to the health, safety and well-being of occupants, abutters and residents of the surrounding community, despite multiple instances of citation by the City of Chelsea for applicable sanitary and other code violations to which the defendant has been non-responsive, this court finds that these facts, when taken in their totality, indicate a threat of imminent danger to the immediate area.

Based on the above and pursuant to G.L. 214 § 1 and G.L.c.111 § 127I, as well as Rule 66 of the Massachusetts Rules of Civil Procedure, it is hereby ORDERED and ADJUDGED:

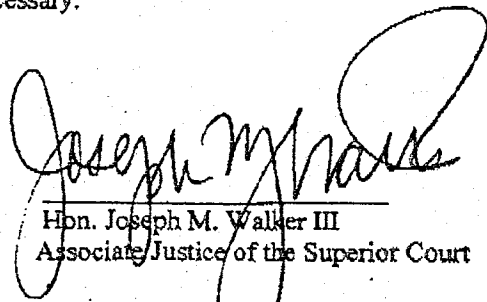
That for a period of six (6) months from the date of issue of this order, or upon further order of the court, the Chelsea Restoration Corporation is appointed Temporary Receiver of the property located at 90-Chestnut Street, Chelsea, Massachusetts. This receivership is for the sole and limited purpose of assuring that said property is properly secured at all times and maintained in such a manner that the health, safety and welfare



of the abutters and the residents of the community are protected. This includes, but is not limited to, securing the physical structure by properly boarding or otherwise securing all entrances, including windows, from the elements and from trespassers. The yard surrounding the property must be kept free of overgrown vegetation and debris at all times. All efforts, including professional extermination if necessary, must be taken to prevent or halt the infestation of the property by vermin.

That the defendant will make diligent efforts to resolve identified zoning issues and to rehabilitate the building in conformance with all relevant building, electric, sanitary and other codes.

That the defendant or the receiver may apply to the court from time to time for such further directions, or orders, as may be necessary.

  
Hon. Joseph M. Walker III  
Associate Justice of the Superior Court

DATED: March 25, 2003

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT  
C. A. NO. 03-0114-A

_____		)
CITY OF CHELSEA		)
Petitioner		)
		)
v.		)
		)
		)
Respondent		)
_____		)

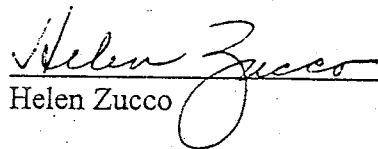
AFFIDAVIT OF HELEN ZUCCO  
EXECUTIVE DIRECTOR OF  
CHELSEA RESTORATION CORPORATION,  
COURT APPOINTED RECEIVER OF

1. I, Helen Zucco, of 154 Pearl Street, Chelsea, Massachusetts, am Executive Director of the Chelsea Restoration Corporation, and have been so for 26 years.
2. As Executive Director, I am responsible for the management of the day-to-day operations of the Corporation, including the direct oversight of rehabilitation and receivership properties.
2. The Chelsea Restoration Corporation is a Chelsea-based, non-profit corporation devoted to the betterment of Chelsea through the improvement in the City's housing stock, home-ownership rate, and the repair and rehabilitation of dilapidated, vacant, and/or problem housing.
3. The Chelsea Restoration Corporation has been acting in this capacity for 26 years.
4. One of Chelsea Restoration Corporation's activities is the management of the process of rehabilitating vacant properties.
5. In this capacity, Chelsea Restoration Corporation has managed the rehabilitation of over 30 properties in the past 26 years.

6. On a number of occasions, Chelsea Restoration Corporation has been appointed as Court-Appointed Receiver, and has successfully managed the rehabilitation process for properties in receivership.

7. Chelsea Restoration Corporation stands prepared to serve as Court Appointed Receiver over the property at ~~90 Chestnut Street~~, and believes that it will be able to successfully address the properties problems forthwith.

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY THIS 6<sup>th</sup> day of  
FEBRUARY, 2003.

  
Helen Zucco

*W. Stagg*

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK SUPERIOR COURT  
CASE NO. 02-0276

SUFFOLK, SS

CITY OF CHELSEA,  
PLAINTIFF

v.

DEFENDANT

*Filed January 18, 2002  
Mary E. Lohrey  
Clerk*

MOTION TO APPOINT CHELSEA RESTORATION  
CORPORATION AS TEMPORARY  
RECEIVER OF THE PROPERTY AT

Now comes the City of Chelsea, through Counsel, and moves that this Honorable Court to immediately appoint a Temporary Receiver over the property at Chelsea, Massachusetts. The City respectfully requests that this Honorable Court Order that the Temporary Receiver serve until Tuesday, January 22, 2002, or such time as a status conference on this matter can be held on this matter.

In support thereof, the City of Chelsea avers that:

- a. The building poses a serious risk to the health, safety, and welfare of the building's occupants, and the surrounding community;
- b. The building is fully occupied, including children;
- c. The Defendant, \_\_\_\_\_, has failed to comply with the January 17, 2002 Order of the Superior Court declaring the structure at

\_\_\_\_\_ Chelsea, Massachusetts to be an unsafe structure, and

*Motion Allowed. Defendant's counsel Not Present -  
Stuck because Tobin Bridge closed. Conditions  
in building present serious public health*

ordering \_\_\_\_\_ to immediately relocate the occupants of the Property to safe housing, at the expense of the defendant, until the Property can be occupied in a safe manner and is otherwise in compliance with all legal requirements:


- d. Chelsea Restoration Corporation has a great deal of experience in rehabilitating dilapidated and dangerous housing within the City of Chelsea and has the requisite knowledge and experience required to give the building the responsible property management it currently needs:
- e. Chelsea Restoration Corporation has resources to help find alternative housing for all residents of \_\_\_\_\_ Chelsea, Massachusetts, and will be able to utilize these resources to help find alternative housing immediately:
- f. Chelsea Restoration Corporation has offered its services to the City of Chelsea, and is willing to serve as Temporary Receiver of the property at ~~128-130 Shurtleff Street~~, Chelsea, Massachusetts (Please see Affidavit of Helen Zucco attached hereto as Exhibit "A").

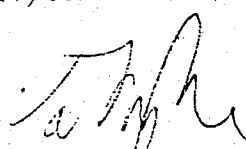
WHEREFORE, the City of Chelsea respectfully requests that this Honorable Court:

1. Appoint a Temporary Receiver over the property at \_\_\_\_\_ Chelsea, Massachusetts to serve until Tuesday, January 22, 2002, to assume the duties of a responsible property manager, and to comply with this Honorable Court's Order of January 17, 2002 requiring the Defendant to "immediately relocate the occupants of the Property to safe housing, at the expense of the defendant, until the Property can be occupied in a safe manner and is otherwise in compliance with all legal requirements";

2. Issue an order permitting the Receiver to take whatever steps are necessary to ensure the safety of the tenants of the building and to shut all power and gas to the building until said building meets all relevant building, electric, plumbing, sanitary, and other codes;
3. To permit the costs and expenses incurred by the Temporary Receiver in making the property safe, and relocating the tenants to appropriate alternative housing to constitute a super-lien on the property taking precedence over all other creditors;
4. Schedule a conference on this matter for Tuesday, January 22, 2002 at 2:00 P.M. to ascertain the status of the property, and what further steps need to be taken.
5. Grant such other relief as the Court determines.

Respectfully Submitted,  
CITY OF CHELSEA, et al  
By its attorneys.

  
Kimberley Driscoll  
BBO# 628784  
City of Chelsea  
Law Department  
500 Broadway  
Chelsea, MA 02150  
(617) 889-8280

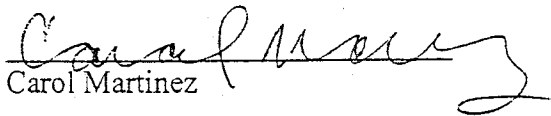
  
Patrick M. Ryle  
BBO# 632389  
City of Chelsea  
Law Department  
500 Broadway  
Chelsea, MA 02150  
(617) 889-8280

AFFIDAVIT OF CAROL MARTINEZ.

I, Carol Martinez, Director of Housing, City of Chelsea's Department of Planning and Development, state under oath that I have personal knowledge of the following:

1. I have asked Chelsea Restoration Corporation (CRC) to be the temporary receiver of the property at
2. I will work with the Executive Director of CR in relocating the tenants.
3. We will refer all eligible tenants to CAPIC's housing assistance program. CAPIC is the Commonwealth's Emergency Housing Program for Chelsea. They will provide emergency shelter for all families and individuals. CAPIC will also do housing searches for permanent homes.
4. For all non-eligible tenants, we will send them to the Wyndam Hotel, which has at least 10 rooms available for two weeks at \$99 per night.
5. The Dept. of Planning & Development is able to pay for this if CRC is appointed receiver on the property with all the attendant lien powers. The cost of providing this immediate housing need will become a receivership lien on the property.

I swear under the pains and penalties of perjury that the foregoing statements are true.  
Signed this 18 date of January, 2002.

  
Carol Martinez

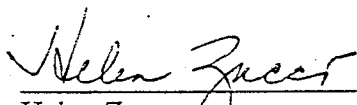
JAN 18, 2002  
Date

AFFIDAVIT OF HELEN ZUCCO,  
EXECUTIVE DIRECTOR OF CHELSEA RESTORATION CORPORATION

I, Helen Zucco, Executive Director of Chelsea Restoration Corporation (CRC) and state under oath that I have personal knowledge of the following:

1. I have been Executive Director of the CRC for the past over 20 years.
2. In my capacity as Executive Director of CRC, I have served as receiver for the following Chelsea properties:  
Avenue. I also have also managed 25 units of rental property, and acted as a developer for numerous and substantial rehabilitation and new construction projects.
3. CRC has a contract with the City of Chelsea to provide property receivership services to buildings when the owners have been proven to be unable, incapable or unwilling to act as responsible property owners.
3. I have been asked by the Housing Director of the City of Chelsea to act as receiver for \_\_\_\_\_ in Chelsea. If the court finds it necessary to appoint a receiver to manage \_\_\_\_\_ CRC is ready, able, willing to be appointed as receiver. CRC has the experience and wherewithal to responsibly manage this property, including utility cut-offs, board-ups, tenant relocation, and any other property management, maintenance and construction activities that are required.

I swear under the pains and penalties of perjury that the foregoing statements are true.  
Signed this 17<sup>th</sup> date of January, 2002.

  
\_\_\_\_\_  
Helen Zucco  
Executive Director,  
Chelsea Restoration Corporation

1/17/02  
\_\_\_\_\_  
Date



Commonwealth of Massachusetts

Suffolk, ss

Suffolk Superior Court

Case No 02-0276

City of Chelsea

v.

ORDERED:

1. That the temporary receivership by Chelsea Restoration Corp. ~~is~~ of the property located at \_\_\_\_\_ Street be continued.
2. That the Temporary Receiver be authorized to permanently relocate<sup>all</sup> the occupants of ~~128-130~~ ~~Shawmutt~~ Street. The Receiver shall notify the defendant of relocation efforts and shall work ~~with~~ cooperatively and accept the assistance of the defendant with relocation efforts, provided it is in the best interest of the occupants to do so.
3. The defendant shall be permitted to commence repairs to the property, provided:
  - a) all <sup>required</sup> permits are obtained;
  - b) access to the premises for the purpose of making repairs must be coordinated with the Receiver.
4. Parties shall report back to the Court in six weeks.

HEREBY ATTEST AND CERTIFY ON  
 Jan 23, 2002 THAT THE  
 FOREGOING DOCUMENT IS A FULL,  
 TRUE AND CORRECT COPY OF THE  
 ORIGINAL ON FILE IN MY OFFICE,  
 AND IN MY LEGAL CUSTODY.

*Michael Joseph Donovan*  
 1/23/02

MICHAEL JOSEPH DONOVAN  
 CLERK / MAGISTRATE  
 SUFFOLK SUPERIOR CIVIL COURT  
 DEPARTMENT OF THE TRIAL COURT

BY: *Jan [Signature]*

**NOTICE**

*Filed in lieu of original  
Staffed  
3/27  
Cited James Kelly  
Cassell*

COMMONWEALTH OF MASSACHUSETTS

SUPERIOR COURT  
Civil Action SUCV03-0114-A

*2 of all  
SUFFOLK, ss  
Notice sent*

*3-26-03*

CITY OF CHELSEA  
Plaintiff

*LA S JR*

v.

*M+S  
P.M.R.*

Defendant

*Ⓢ*

**ORDER APPOINTING TEMPORARY RECEIVER**

Whereas it has been satisfactorily demonstrated to this court that from the time defendant acquired the property at \_\_\_\_\_, Chelsea, Massachusetts in 1998, and continuing to the present day, there has existed an irregular yet chronic, serious risk to the health, safety and well-being of occupants, abutters and residents of the surrounding community, despite multiple instances of citation by the City of Chelsea for applicable sanitary and other code violations to which the defendant has been non-responsive, this court finds that these facts, when taken in their totality, indicate a threat of imminent danger to the immediate area.

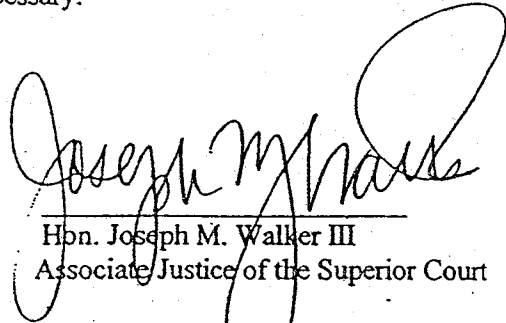
Based on the above and pursuant to G.L. 214 § 1 and G.L.c.111 § 127I, as well as Rule 66 of the Massachusetts Rules of Civil Procedure, it is hereby ORDERED and ADJUDGED:

That for a period of six (6) months from the date of issue of this order, or upon further order of the court, the Chelsea Restoration Corporation is appointed Temporary Receiver of the property located at \_\_\_\_\_, Chelsea, Massachusetts. This receivership is for the sole and limited purpose of assuring that said property is properly secured at all times and maintained in such a manner that the health, safety and welfare

of the abutters and the residents of the community are protected. This includes, but is not limited to, securing the physical structure by properly boarding or otherwise securing all entrances, including windows, from the elements and from trespassers. The yard surrounding the property must be kept free of overgrown vegetation and debris at all times. All efforts, including professional extermination if necessary, must be taken to prevent or halt the infestation of the property by vermin.

That the defendant will make diligent efforts to resolve identified zoning issues and to rehabilitate the building in conformance with all relevant building, electric, sanitary and other codes.

That the defendant or the receiver may apply to the court from time to time for such further directions, or orders, as may be necessary.

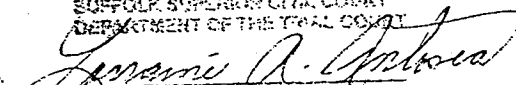
  
Hbn. Joseph M. Walker III  
Associate Justice of the Superior Court

DATED: March 25, 2003

HEREBY ATTEST AND CERTIFY ON  
May 21, 2003 THAT THE  
FOREGOING DOCUMENT IS A FULL,  
TRUE AND CORRECT COPY OF THE  
ORIGINAL ON FILE IN MY OFFICE,  
AND IN MY LEGAL CUSTODY.

MICHAEL JOSEPH DONOHAN  
CLERK / MAGISTRATE  
SUFFOLK SUPERIOR CIVIL COURT  
DEPARTMENT OF THE TRIAL COURT

BY:

  
act. Clerk

# **Attachment D**

## **Duties and Powers of Receivership**

## **Duties and Powers of the Receivership**

As you can see by reading **Attachment A** (Receivership Statute), the receiver “shall promptly repair the property and maintain it in a safe and healthful condition” G.L. c. 111, §127I. The violations which most seriously endanger the safety and health of occupants should be addressed first. Other corrections to violations can happen afterwards. If the tenants are in imminent danger from the conditions, tenants may be removed and housed in another location, the cost of the relocation being added to the total of funds to be recovered.

The receiver is empowered to borrow funds and to grant security interests or liens on the property for the repair, operation, maintenance or management of the property. To attract loans from financial institutions, a receiver can assign them a lien to be paid when funds are restored by the owner. The receiver can also petition the court to apply to the state for funds in the event that rent receipts are insufficient to fund the necessary repairs.

The receiver is also authorized to collect rent. This money must first be applied to pay for repairs that bring the property into compliance or to defray operation costs, management costs or insurance expenses. The remainder can then be used to pay off taxes owed, assessments, penalties or interest accrued.

The receiver can enter into contracts, with the provision that the receiver is exempt from bidding laws that may delay the repair of safety hazards. The receiver, in essence, becomes the “general contractor” that oversees the rehabilitation of the process.

The receiver can place a lien on the property for the costs, and that lien becomes the overriding debt to be paid, ahead of all other liens, mortgages and creditors, except for municipal liens. The receiver is able to pay taxes owed on the property, but can leave that for the property owner to do when they make restitution.

If funds are not recovered from the property owner under the schedule set by the court, the receiver may foreclose on the property and sell it to satisfy the expenses of receivership and to satisfy other outstanding debts associated with the property.

The receiver must adhere to all schedules and reporting requirements set by the court, especially the provision calling for a full and final account of the receivership.

# **Attachment E**

## **Sample Final Accounts**

# Chelsea Restoration Corporation

A Non Profit Civic Organization - Established 1977

154 Pearl Street, Office #2  
Chelsea, MA 02150  
(617) 889-2277  
(617) 887-0611 Fax

## Temporary Receivership Final Account

Chelsea Restoration Corporation, a Massachusetts non-profit corporation of 154 Pearl Street, Office #2, Chelsea Massachusetts 02150, and duly appointed temporary receiver of the premises located at 128-130 Shurtleff Street, Chelsea Suffolk County, Massachusetts hereby files its final account of expenses in compliance with the provisions of Massachusetts General Laws Chapter 111, section 1271.

Chelsea Restoration Corporation has been appointed temporary receiver of the premises, pursuant to a motion brought forward by the city of Chelsea and on order granted by Suffolk Superior Court Judge Maria Lopez on January 18, 2002 entitled City of Chelsea v. \_\_\_\_\_, civil action no. 02-0276

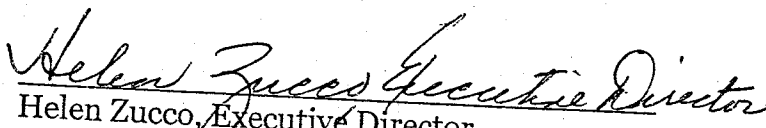
City of Chelsea Inspectional Services has informed Chelsea Restoration Corporation that all citations have been corrected and the owner \_\_\_\_\_ has been granted permission to rent the property.

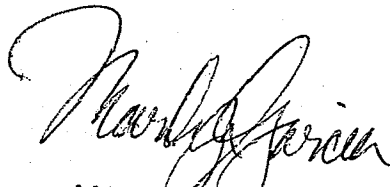
To date, the Receiver has incurred costs and expenses totaling \$48,336.79 and a lien has been filed on March 5, 2002 at Suffolk Registry of Deeds Book 28103 083 Page 594.

Chelsea Restoration Corporation wishes to report to the court that \$48,336.79 is its final account of temporary receiver's expenses.

Sworn to under oath on this 3<sup>rd</sup> day of November, 2003

Chelsea Restoration Corporation  
By:

  
Helen Zucco, Executive Director



MARILYN GARCIA  
NOTARY PUBLIC  
My commission expires June 18, 2010

RECEIVER'S PRIORITY LIEN PURSUANT TO MGL c. 111 § 127I

RECEIVER: CHELSEA RESTORATION CORPORATION  
PROPERTY: STREET, CHELSEA, SUFFOLK COUNTY, MA

CHELSEA RESTORATION CORPORATION, a Massachusetts non-profit corporation having an address of 154 Pearl Street, Unit 2, Chelsea, Massachusetts 02150, and duly appointed Receiver (hereinafter "Receiver") of the premises located at STREET, CHELSEA, SUFFOLK COUNTY, MASSACHUSETTS, more particularly described in Exhibit A attached hereto (hereinafter "Premises"), hereby gives notice and files this statement of Receiver's Lien and expenses to date, in compliance with the provisions of Massachusetts General Laws, Chapter 111, section 127I.

Whereas, CHELSEA RESTORATION CORPORATION, has been appointed Temporary Receiver of the Premises, pursuant to a Motion brought forward by the City of Chelsea and an Order granted by Suffolk Superior Court Judge Maria Lopez on January 18, 2002, and

Whereas, the Order specifically provides for the costs and expenses incurred by the Receiver to constitute a super lien on the Premises, taking precedence over all other creditors, and

Whereas, to date, the Receiver has incurred costs and expenses totaling \$48,336.79 related to the Premises, as described in Exhibit B attached hereto, and

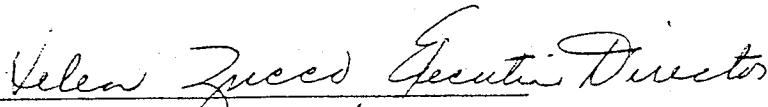
Whereas, the Receivership has been continued by Order of Suffolk Superior Court Judge Maria Lopez, dated January 23, 2002;

NOW THEREFORE, PURSUANT TO MGL c. 111 § 127I, NOTICE IS HEREBY GIVEN BY THE RECEIVER THAT A LIEN IN THE AMOUNT OF Forty Eight Thousand Three Hundred Thirty Six and 79/100 Dollars (\$48,336.79) HAS BEEN INCURRED TO DATE FOR COSTS AND EXPENSES RELATED TO THE RECEIVERSHIP OF THE PREMISES.

Sworn to under oath on this 11th day of February, 2002.

CHELSEA RESTORATION CORPORATION

By:

  
Helen Zucco, Executive Director

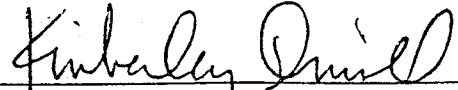


COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

February 11, 2002

Then personally appeared the above-named, Helen Zucco, Executive Director as aforesaid, and acknowledged the foregoing instrument to be her free act and deed and the free act and deed of the Chelsea Restoration Corporation, before me,



Notary Public

My commission expires: 2/7/08

COPY

Chelsea Restoration Corp.

154 Pearl Street, Office #2  
Chelsea, MA 02150  
617-889-2277 fax 617-887-0611

Invoice No. Amended  
Invoice 1001

INVOICE

Customer

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ MA \_\_\_\_\_ ZIP 02155  
Phone \_\_\_\_\_

Date 5/29/02  
Order No. \_\_\_\_\_  
Rep \_\_\_\_\_  
FOB \_\_\_\_\_

Qty	Description	Unit Price	TOTAL
	<p align="center"><b>Notice of Intent to Foreclose</b>  <b>Street, Chelsea, MA. 02150</b>            Failure to pay amount due will result in commencement of            foreclosure proceedings. Please contact me if you have            any questions or concerns regarding this matter.</p>		

Payment Details

- Cash
- Check
- Credit Card

Name \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SubTotal	\$48,336.79
Shipping & Handling	\$0.00
Taxes	
<b>TOTAL</b>	<b>\$48,336.79</b>

Office Use Only

CC: Neil Cola, Attorney, 52 Washington Ave, Chelsea, MA. 02150

Chelsea Restoration Corporation  
154 Pearl Street Office #2  
Chelsea, MA 02150  
617-889-2277

Temporary Receivership

Location: Street

Name	Expense
White's Emergency Service	\$ 2,379.00
Plumbing Shut-off, weatherization	\$ 670.00
Food Allowance \$25.00 per day	\$ 3,175.00 2/7/02
Insurance	\$ 793.00 Three mos/Vacant Building
Wyndham Hotel 1/18/02-2/7/02	\$14,769.67
Miscellaneous expense	\$ 107.62
CRC Staff	\$ 3,712.50 1/18/02-2/7/02
Police Detail	\$ 132.00
Relocation as of 1/8/02	
	\$ 3,700.00 1st, last, rental fee
	\$ 3,698.00 1st, last, rental fee
	\$ 3,000.00 1st, last,
	\$ 1,500.00 Security Deposit
	\$ 6,200.00 1st, last, Sec Dep, rental fee
	\$ 4,500.00 1st, last, Sec Dep,
	\$ 48,336.79

Chelsea Restoration Corporation

Relocation Payments:

Date	Name	Former Location	New Location
1/28/02			
First	\$ 1,500.00 #10514		
Last	\$ 1,500.00 #10515		
Sec Dep	\$ -		
Rental Fee	\$ 700.00 #10519		
	\$ 3,700.00		\$ 3,700.00

Date	Name	Location	Location
1/28/02			
First	\$ 678.00 #10521		
Last	\$ 1,500.00 #10522		
Sec Dep	\$ -		
Rental Fee	\$ 1,520.00		
	\$ 3,698.00		\$ 3,698.00

Date	Name	Location
1/29/02		
First	\$ 1,500.00 10532	
Last	\$ 1,500.00 10533	
Sec Dep	\$ -	
Rental Fee	\$ -	
	\$ 3,000.00	\$ 3,000.00

Date	Check	Name	Location
2/8/02			
First	10578		
Last	10579	\$ 1,550.00	83 Central Ave #3
Sec Dep	10580	\$ 1,550.00	
Rental Fee	10581	\$ 1,550.00	
		\$ 1,550.00	
		\$ 6,200.00	

Date	Check	Name	Location
2/6/02			
First	0		Temporary Housing
Last	0		
Sec Dep	10567		
Rental Fee	0	\$ 1,550.00	
		\$ 1,500.00	

Date	Check	Name	Location
2/6/02			
First	10561	\$ 1,500.00	66 Heard Street
Last	10562	\$ 1,500.00	
Sec Dep	10563	\$ 1,500.00	
Rental Fee	0	\$ -	
		\$ 4,500.00	

\$ 22,598.00

2/13/02

EXHIBIT A

SCHEDULE A  
LEGAL DESCRIPTION

A certain parcel of land with the buildings thereon situated in Chelsea, Suffolk County, Massachusetts, now known in the present street numbering as \_\_\_\_\_ Street, and And being shown as Lot Number thirty-two (32) on a plan entitled "Shurtleff Street on Lewis' Plan of Winnisimmet recorded with Suffolk Deeds in Book 393, Page 310, bounded and described as follows:

- SOUTHEASTERLY: by Shurtleff Street, Fifty (50) feet;
- SOUTHWESTERLY: by Lot No.34 Shurtleff Street, as shown on said plan, one hundred (100) feet;
- NORTHWESTERLY: by Lot No.14 Old Colony Road (now Hawthorne Street), as shown On said plan, fifty (50) feet;
- NORTHEASTERLY: by a passageway connecting Hawthorne Street and Shurtleff Street, One hundred (100) feet.

Said premises are hereby conveyed subject to and with the benefit of an easement in adjoining land described in an agreement dated October 9, 1911, recorded with Suffolk Deeds Book 3577, Page 353.

Meaning and intending to convey the premises described in a deed dated December 23, 1986, recorded with the Suffolk Registry of Deeds Book 13240 Page 184.

PROPERTY ADDRESS: \_\_\_\_\_ Street  
Chelsea, MA 02150

**Chelsea Restoration Corporation**

154 Pearl Street Office #2

Chelsea, MA 02150

617-889-2277

**Temporary Receivership**

Location: Street

Name	Expense
White's Emergency Service	\$ 2,379.00
Plumbing Shut-off, weatherization	\$ 670.00
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Insurance	\$ 793.00 Three mos/Vacant Building
Wyndham Hotel 1/18/02-2/7/02	\$14,769.67
Miscellaneous expense	\$ 107.62
CRC Staff	\$ 3,712.50 1/18/02-2/7/02
Police Detail	\$ 132.00
Relocation as of 1/8/02	
A	\$ 3,700.00 1st, last, rental fee
F	\$ 3,698.00 1st, last, rental fee
A	\$ 3,000.00 1st, last,
L	\$ 1,500.00 Security Deposit
C	\$ 6,200.00 1st, last, Sec Dep, rental fee
R	\$ 4,500.00 1st, last, Sec Dep,
	\$ 48,336.79



**Kimberley Lord Driscoll**  
Corporate Counsel

**City of Chelsea**  
LAW DEPARTMENT  
City Hall, 500 Broadway  
Chelsea, Massachusetts 02150

Telephone (617) 889-8280  
FAX (617) 889-8359

**Patrick M. Ryle**  
Asst. Corporate Counsel

March 6, 2002

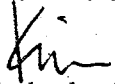
Helen Zucco  
Chelsea Restoration Corporation  
154 Pearl Street, Office #2  
Chelsea, MA 02150

Re: Receivership Lien  
Street

Dear Helen:

Enclosed please find a copy of the Receiver's Lien recorded at the Suffolk County Registry of Deeds on March 4, 2002. Please note, a copy of this should be forwarded to Attorney Neal Cola for his information.

Very truly yours,

  
Kimberley Driscoll  
Corporate Counsel

KLD:tmn

**CHELSEA RESTORATION CORPORATION**  
**A Non-Profit Organization, Established 1977**

154 Pearl Street, Office #2  
Chelsea, MA 02150

(617) 889-2277  
Fax # (617) 887-0611

**Series of Events**

**Date:** January 22, 2002,  
Helen Zucco, CRC, Carol Ridge Martinez and Juan Gomes, CRC staff met tenant located at  
Street Apartment #

**Tenant:**  
Mr. came to the office and the director issued check #10486 in the amount of \$50.00 for  
food allowance 1/21/02 Monday and 1/22/02 Tuesday.

After CRC locked and secured building a Mr. wanted to enter one of the  
apartments. His name was not included on the list and CRC advised him to contact the office.

**Date:** January 23, 2002  
CRC staff Yessenia Davila and Ricardo Mercado will meet at Street to allow  
two tenants entrance to their apartments.

Street #  
**Tenant:**

#  
**Tenant:**

Ricardo Mercado will remove and clean all refrigerators at the location.



January 28, 2002

**Meeting held on Sunday, January 27, 2001**

Street  
Chelsea, MA 02150

Apartment rental list was submitted to tenants it consists of Real Estate Listings and Chelsea Record Listings dated 1/24/02. See Attached

CRC provided list of 10 available apartments in Chelsea & surrounding communities as follows: 2 Studios, 3 One-Bedrooms, 3 Two- Bedrooms, 1 Three-Bedrooms, 1 Four-Bedrooms.

Mr. provided information on an apartment on Lawrence Street (2 ½ bedrooms).  
Mr. , asked CRC to contact the landlord, and ask the maximum amount of people the landlord will accept. I asked Mr. to provide the landlords telephone number.  
Mr. stated he will call us with the information.

I told Mr. that he would have to comply with the new landlords rules and regulations. I also stated it's a code violation to place locks on the bedroom doors.

CRC to contact Real Estate Agency for the four-bedroom apartment \$1,600.00.  
#2 is interested.

Attorney William Berman was introduced at the meeting.  
Some tenants will speak to Mr. Berman regarding the security deposit for the Shurtleff Street units. family made an appointment for Mon. Jan. 28th, 2002.

Carol Ridge-Martinez from City of Chelsea, Planning & Development Department was introduced.

Food money to be released in the amount of \$25.00 per day per room, to be retroactive as of January 18<sup>th</sup>. Tenants that moved out prior to Fri. Jan. 18<sup>th</sup> or if food wasn't in their refrigerators that did not permanently re-locate will not be reimbursed.

Tenants were informed they will receive a flat fee of \$150.00 per apartment for the refrigerator food. This money will be issued at the end of the transactions.

128 Tenants didn't want the food allowance.

Food disbursement checks were issued to some tenants. See attached.

All of the tenants were informed the new apartments must have a Certificate of Habitability and Certificate of Lead for renters with children under the age of six.

Family structure was identified by the tenants. Changes/corrections were made to list.

Tenants 130 Apartment 1 & 2  
Were notified that if they do not find an apartment their belonging will be place in storage and CRC will pay the fee.

**DATE: Monday January 28, 2002**

8:30 a.m. Ms. Zucco, Ms Davila met with [redacted] in regards to relocation. Mr. [redacted] provided copy of Tenancy at Will and receipts for apartment located at [redacted] Street, East Boston, MA. **See attached**. CRC reimbursed Mr. [redacted] \$3700.00 for 1st last and realtor fee. **See attached**

Ms Zucco and Ms Davila met with [redacted] in reference to relocation, Mr. [redacted] provided copy of Lease and receipts for apartment located 99 Walnut Avenue Revere, MA. **See attached** CRC reimbursed Mr. [redacted] \$3698.00 for 1<sup>st</sup> (1/18/02-1/31/02) last and realtor fee **See attached**

At approximately 4:45 p.m. the owner of the property [redacted], came to the office and asked to speak to Ms. Zucco in private. Ms. Zucco agreed and escorted him into the Community Room. [redacted] wanted to know what has transpired within the past few days. Ms. Zucco informed him that CRC has reimbursed two of his tenants, namely [redacted] and [redacted]. He stated that his lease listed only [redacted] and that [redacted] was not on the lease. Ms. Zucco stated, he was aware that many people were living in his building, and it was against the law to operate a building as a rooming house. The names of the families was reported to the court and CRC will relocate anyone living on the premises. He stated that he did not owe the families that much money and that CRC was making a big mistake. Ms. Zucco informed him that he has created this problem and it could have been avoided had he honored the requests of the families and return their last month and security deposit monies. If he paid the families the money they would have relocated and when it was turned over to temporary Receivership to CRC by the Court, CRC would not have been directed by the Court to relocate the residents living in the building.

[redacted] said he will call Mr. [redacted] and Mr. [redacted] and request them to give the money back to CRC. Ms. Zucco informed that I will not accept the money from them. Ms Zucco advised him to contact his attorney.

Tuesday 1/29/02

Mr. [redacted] came to the office at 8:30 a.m. CRC did not have a translator in the office at the time. Ms. Zucco requested Ms. Davila to call Mr. [redacted] on his cell phone to get clarification on the conversation that Ms. Zucco had with Mr. [redacted]. Ms. Davila spoke with Mr. [redacted] stated that the landlord [redacted] is calling many of the tenants and telling them "If Chelsea Restoration Corporation gives them money to give it to him ( [redacted] ) it's his money". Mr. [redacted] also stated that if they do not give the money to him, he will tell his attorney that some of the tenants do have green cards or are legal.

Ms. Davila asked Mr. [redacted] to come to the office tomorrow at 8:30 a.m. to sign an affidavit.

## Chelsea Restoration Corporation

**Date: Thursday, January 24, 2002**

The owner of the building came to the CRC office with Electrical permits. I gave him the keys to the padlock and told him not to enter \_\_\_\_\_ side of the building. The tenants still have their belongings in the apartments. He had permission to enter \_\_\_\_\_ to begin the electrical work with the licensed electrician. He signed a statement that he will not enter \_\_\_\_\_ Street.

I received call from his Attorney Neil Cola, I also informed him that I did not want the \_\_\_\_\_ owned on \_\_\_\_\_ Street side of the building. His attorney and I also discussed 1st last and security deposit for one of his tenants who found an apartment. I asked if the owner wanted to pay \$4500.00 and CRC will give it to the tenant when the tenant provides receipt of TAW, his attorney informed me that the owner will come to the office on Friday and give CRC the money. The owner did not come to the office.

**Date: Friday January 25, 2002**

I received call from Steve Haley, Wyndham Hotel. I approved lodging until January 31<sup>st</sup> Approximately 12:30 p.m. CRC staff members, Ms Garcia and Ms Zucco met with \_\_\_\_\_ resident of \_\_\_\_\_ Street, he removed some clothing. Ms Zucco also gave him a check for food. Ms Garcia informed him CRC is having difficulty trying to find apartments for him and his extended family members. Some of the families may have to break up and get separate apartments. CRC cannot approve their lodging and have them living in apartments with separate locks on the bedrooms. CRC will provide 1st, last and security deposits to the residents if the apartment is up to code and the apartment will not be over crowded.

Approximately 1:30 p.m. CRC staff member Ms Yessenia Davila met with Ms \_\_\_\_\_ resident of \_\_\_\_\_, she received check for food in the amount of \$100.00. Ms Davila also informed her of the difficulty CRC has come across trying to find apartments for her and her family members. Many of the families may have to break up and get separate apartments. CRC cannot approve their lodging and have them living in apartments with separate locks on the bedrooms. CRC will provide 1st, last and security deposits to the residents if the apartment is up to code and the apartment will not be over crowded.

**Date: Saturday January 26, 2002**

About 9:00 a.m. CRC received call from Andy White of White's Emergency Service informing Yessenia Davila CRC staff that men were on the premises removing boards from the building. Ms. Davila informed Andy White that owner obtained electrical permit from City of Chelsea ISD, and a copy was on file in CRC office.

About 3:00 p.m. Helen Zucco received conference call from staff members Marilyn Garcia and Yessenia Davila, they informed me that the boards were still removed. Ms Zucco requested Ricardo Mercado to go to the location and converse with the owner and if any work was being performed request to see the electrician's license. Mr. Mercado, reported to Zucco by conference call that the boarding was removed from \_\_\_\_\_ Street only and he did see license of electrician. Mercado was instructed by Zucco to inform the owner that before leaving the premises to board up the windows again.

Zucco called Andy White of White's Emergency Service to inform him of what

# **CHELSEA RESTORATION CORPORATION**

*A Non Profit Civic Organization - Established 1977*

154 Pearl Street - Office #2

Chelsea, MA 02150

(617) 889-2277

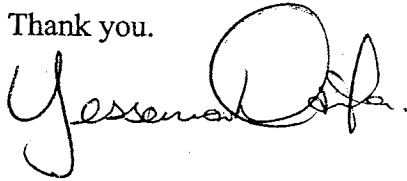
Fax: (617) 887-0611

## **Memo to File**

On Saturday January 26, 2002 at approximately, 9:30 a.m. I received a phone call from Andy Whit from White's Emergency Board Up. He indicated to me that he was going to remove the boards from the side (vacant side).

I then received a phone call from Marilyn Garcia indicating to me that she had passed by the premises and there were people working on the site, but did not see any truck that belonged to the Electrician or the if the owner ( ) was doing any work which he is not supposed to do. Ricardo Mercado then went to the location and made sure that was not doing any work. There was a crew of six (6) in total, with the Electrician. Ricardo Mercado also asked the Electrician to see his license, the electrician did let him see the license. Mr. Mercado also informed that after all work was finished at the end of the day the boards needed to be put back in their proper place.

Thank you.



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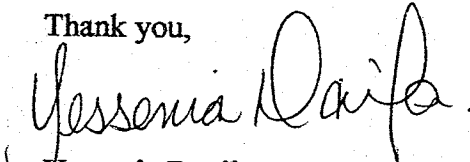
Fax: (617) 887-0611

January 29, 2002

At approximately 9:55 a.m., CRC received a phone call from [redacted] (tenant at #1), he was just calling our office to let us know that he received a phone call at approximately 9:45 a.m. from [redacted], telling the tenant that he had to return the 1<sup>st</sup>, last and Security deposit received from Chelsea Restoration Corporation.

If the tenant did not return the money he was going to tell his lawyer Neil Cola, that he does not have legal documentation to be in this country.

Thank you,



Yessenia Davila

Yessenia Davila

About 3:00 p.m. Helen Zucco received conference call from staff members Marilyn Garcia and Yessenia Davila, they informed me that the boards were still removed. Ms Zucco requested Ricardo Mercado to go to the location and converse with the owner and if any work was being performed request to see the electrician's license. Mr. Mercado, reported to Zucco by conference call that the boarding was removed from . Street only and he did see license of electrician. Mercado was instructed by Zucco to inform the owner that before leaving the premises to board up the windows again.

Zucco called Andy White of White's Emergency Service to inform him of what took place. He offered to drive by later to be sure the building is secure, and if the boarding was not in place, he would reinstall it at no cost. Zucco accepted his offer and did not check the building until Sunday, January 27<sup>th</sup> at approximately 10:00 a.m. The windows were secure and with the exception of the padlock on (vacant side) the buildings are secure. Zucco called John Bennett of ISD and informed him that the electrician was on the site and please advise the electrical inspector Mr. Thomas Stevens, perhaps ISD will go to the site on Monday to check out the electrical work that may have been completed on Saturday.

**Meeting will be held on Sunday January 27, 2002 at 6:00** with all residents of . Street, Chelsea. -The purpose of the meeting will be to do the following:

- -submit list of apartments available for rent, compiled by CRC staff from local real estate agencies and the Chelsea Record dated Thursday, January 24, 2002.
- -Introduce Attorney William Berman of Suffolk University Legal Services to those present.
- -Carol Ridge Martinez, housing director of the city of Chelsea Office of Planning and Development.
- -Distribution of food money to all residents with verification of residency(\$25.00 per family per day)
- -Identify and review family size and structure per unit
- -Inform of tenants of required Certificate of Habitability, Lead Paint Certificate required for all children six or under and Rooming House rules and regulations.
-

## ***Site visit, Notes & Opinions***

**To: Chelsea Restorations Inc. , Helen Zucco 64 Pearl Street, Chelsea MA**

**From: Ronald A. Baker**

**Location: , Chelsea MA**

**Date: 04/06/03**

**Re: Building condition & safety**

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On Wednesday, April 2<sup>nd</sup> 2003 I visited the above location to document the existing conditions and prepare a rehabilitation work write up and cost estimate.

The dwelling is an approx. 80-100 year old, wood framed, 2½ story structure with a full ground level basement/dwelling area. The siding is cedar shingles in the front and clapboard covered with asphalt siding on three sides. The building was apparently being used as a three family house, but it is now vacant and has been gutted.

1) The structural issues are possible water damaged sills on the left and rear sides of the ground level. Removal of bearing walls on the third floor and at least one split floor joist on the second floor ceiling. The studs and flooring at the rear right where the bathrooms used to be, are water damaged and must be replaced.

2) The porch on the left rear side has been removed but the superstructure is still up and the roof is supported. If the building is to be renovated this area will have to provide a second means of egress.

3) There is some loose and water damaged soffit and trim which may be a hazard if they fall.

4) The interior of the building has had intruders, there is a sleeping bag in one of the back rooms. This is always a fire hazard. There also are signs of rodent activity. The ground level floor is wood over dirt in the front and concrete in the back. This floor will have to be replaced to address any possible mold growth underneath.

# Chelsea Restoration Corporation Avenue

**Projected Budget  
21-Mar-03**

## Sources & Uses

<b>Uses of Funds</b>		<b>CRC</b>			
Construction Costs	\$ 177,450.00	\$	177,450.00	\$	-
Lead Paint Removal	\$ 20,000.00	\$	12,000.00	\$	8,000.00
Contingency	\$ 19,000.00	\$	2,400.00	\$	16,600.00
Clerk of Works	\$ 1,500.00	\$	1,735.00	\$	(235.00)
Mangmnt/Receivership	\$ 20,000.00	\$	20,000.00	\$	-
Carrying Costs	\$ 7,500.00	\$	11,410.13	\$	(3,910.13)
COM Tax Lien	\$ 15,000.00	\$	15,000.00	\$	-
Legal Fees	\$ 4,500.00	\$	2,858.10	\$	1,641.90
Debt Service	\$ 11,000.00	\$	1,385.40	\$	9,614.60
Acquisition (taxes)	\$ 110,000.00	\$	117,075.92	\$	(7,075.92)
				\$	-
				\$	-
<b>Total</b>	<b>\$ 385,950.00</b>	<b>\$</b>	<b>361,314.55</b>	<b>\$</b>	<b>24,635.45</b>

### Sources of Funds:

Chelsea Restoration Corp	\$ 70,000.00	
NSC Loan	\$ 230,000.00	
MSC Deferred Loan	\$ 75,000.00	
City of Chelsea Lead	\$ 7,500.00	
Rental Income	\$ 4,000.00	As of 8/1/03 two apartments rented @\$1,000. per unit
<b>TOTAL</b>	<b>\$ 386,500.00</b>	



## Sources of Funds Annotation

NSC - North Suburban Consortium

Your community will have to be a member of this non-profit agency to receive consideration for funds

MSC - Mass. Small Cities Deferred Loan

Can be lien riders so as to be affordable. Small Cities monies are federal distributed through your City Hall

City of Chelsea Lead Removal Program

\* Don't spend too much time on funding sources that are unlikely to be awarded, or which will be too time-consuming to be of assistance.