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Contact: Deanna Fay

Email: housing4allgloucester@gmail.com

“Please Do Not Sign the Petition!” Warns Local Citizen Group. Signing the Petition Against Multi-Family Zoning Could Ultimately Cost Gloucester Taxpayers Millions

GLOUCESTER, MA - Housing advocacy group Housing4All Gloucester released today an emergency financial impact analysis showing that a petition (currently circulating at the Market Basket Shopping Center and several variety stores) to challenge the City Council's unanimous decision on multi-family zoning would result in immediate financial consequences to the city and its taxpayers. Financial consequences would be severe if a resulting referendum passed.

Deanna Fay, spokesperson for Housing4All Gloucester warned, “If there are enough signatures to force a vote, it could ultimately cost taxpayers over \$13 million for the wastewater project alone.

Housing4All Gloucester’s emergency financial analysis estimates that the loss of discounted borrowing rates for the wastewater treatment project alone would cost Gloucester taxpayers \$13.15 million.

In the event of non-compliance, which would begin immediately upon certifying the number of required petition signatures, several other state funding sources would be lost as well. Fay says that a full analysis of all impacted programs is currently in process “Even pending details, we know that this petition could be a financial disaster for the city” Fay said.

Key findings from the study entitled “Emergency Financial Impact Analysis: Effect of Petition to Repeal New Multi-family Zoning District” (full analysis attached) include:

- **Immediate Impact of Signatures:** If petitioners collect signatures from 10% of Gloucester voters, the recently passed zoning ordinance will be temporarily suspended until a referendum can be held in November 2025, immediately putting Gloucester out of compliance with state law.
- **Massive Borrowing Cost Increase:** Once out of compliance, the city would lose funding from its Housing Choice designation, forfeiting a 0.5% discount on borrowing rates for its upcoming \$206 million wastewater treatment project. This alone would cost taxpayers an estimated \$13.15 million in additional interest over the 30-year life of the loan.

- **Loss of State Funding:** We will lose two recently announced state grants totaling \$900,000 for our sewer system work, scheduled for receipt early next year. Gloucester would become ineligible for many other state grants and funding opportunities on which the city depends, potentially costing hundreds of thousands of dollars in additional lost funding.
- **Extended Period of Non-Compliance:** Even if voters ultimately rejected the referendum that would finally be on the ballot in November 2025, the fact that the petition received enough signatures to put the issue on the 2025 ballot would mean that Gloucester will be in violation of state law for over a year, resulting in large irretrievable financial losses.
- **Economic Impact:** The multi-family overlay district is designed to address Gloucester's housing shortage. Delaying its implementation could also stifle economic growth and workforce development.
- **Sustainability and Climate Change Impact:** Grants such as the Municipal Vulnerability Planning grant would be lost.

Housing4All Gloucester urges residents to consider these financial ramifications carefully before signing the petition. Fay emphasized that the City Council's decision was not just about complying with state law, but about securing Gloucester's financial future and ensuring the city can meet its infrastructure needs without placing an undue burden on taxpayers.

For more information about the multi-family overlay zoning district and its importance to Gloucester's future, please visit housing4allgloucester.org or contact Deanna Fay at housing4allgloucester@gmail.com.

About Housing4All Gloucester: *Housing4All Gloucester is a community organization dedicated to promoting affordable, accessible housing options for all residents of Gloucester, Massachusetts. We advocate for sustainable housing policies that support our community's diverse needs and contribute to Gloucester's long-term economic vitality.*