

City of Newton



Setti D. Warren
Mayor

City of Newton Community Preservation Program



Fiscal 2010-12 Community Preservation Priorities

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- last updated May 2010 -

AVAILABLE SEPARATELY

FUNDING GUIDELINES

- ◇ Overarching Goals
- ◇ Community Housing
- ◇ Historic Resources
- ◇ Open Space
- ◇ Recreation Land

PROPOSAL & PROJECT HANDBOOK

- ◇ Allowable Uses of Funds
- ◇ Program Goals
- ◇ User's Guides to Funding Process
- ◇ Proposal Instructions
- ◇ Basic Proposal Form
- ◇ Historic Resources Attachments Checklist
- ◇ Housing Attachments Checklist

REFERENCES & RESOURCES

including Non-CPA Funding Sources

- ◇ Multiple Resources
- ◇ Community Housing
- ◇ Historic Resources
- ◇ Open Space & Recreation

ADDITIONAL COPIES

*Copies of this and all documents above are available from
Alice E. Ingerson, Community Preservation Program Manager,
email aingerson@newtonma.gov, phone 617.796.1144, or from the program web site:
www.ci.newton.ma.us/cpa/program.htm*

MISSION

Invest in
community housing, historic resources, open space & recreation land
to preserve, restore & enhance Newton's character as
a community of diverse but interdependent people & places,
both a “city of villages” and a “garden city.”

VISION

COMMUNITY HOUSING Newton continues to welcome residents of varying income levels, occupations, needs, and ages. Smaller homes and more densely developed neighborhoods are valued both for their affordability and for their sustainability and energy efficiency.

HISTORIC RESOURCES Newton preserves a full range of resources that allow its past to inform choices about its future, including both village centers that grew up around 19th-century railroad stations, with their lively mix of housing types and land uses; and 20th-century neighborhoods shaped by zoning and the automobile, valued for their quiet consistency.

OPEN SPACE Newton preserves and restores the capacity of its natural systems to survive environmental stress, protect native species, support appropriate human uses, and reduce or even reverse the city’s negative impacts on regional and global environments.

RECREATION LAND Parks and playgrounds enhance the quality of life throughout Newton, especially in neighborhoods with smaller homes or higher densities; preserve the city’s history of design excellence and public-private partnerships; and help to preserve or restore functioning ecosystems.

PLAN

Newton’s *Community Preservation Plan* consists of two separate documents; these ***Priorities***, updated every 2-3 years, and the longer but less frequently updated ***Guidelines***, which summarize long-term needs and possibilities for affordable housing, historic resources, open space and recreation land. Together, these two documents:

- ♦ lay out a framework for the Community Preservation Committee (CPC) to use in making recommendations for spending funds
- ♦ help proposal sponsors, the public, the Board of Aldermen, and other participants in the funding process understand the principles and priorities behind CPC recommendations
- ♦ through periodic revisions, give all of these participants the opportunity to help the CPC reshape those principles and priorities

What *Could* Be Funded? Eligibility Under the Community Preservation Act

These buckets illustrate show how the Community Preservation Act requires each local community to allocate its Community Preservation Fund annually, or set funds aside for future spending:



The CPA allows local communities to spend their CP funds on a range of uses, within constraints. The most important constraint is that CP funds *cannot* be spent on the routine maintenance of any resource. Other major constraints are summarized here:

Community Preservation Act Allowable Uses of Funds				
	COMMUNITY HOUSING	HISTORIC RESOURCES	OPEN SPACE	RECREATION LAND
acquire	YES	YES	YES	YES
create	YES	NO	YES	YES
preserve	YES	YES	YES	YES
support	YES	NO	NO	NO
rehabilitate/restore	YES, IF ...	YES	YES, IF ...	YES, IF ...

“YES, IF ...” means “if the resource was acquired or created in the first place with CP funds.”

Not all terms used in the Act are defined there. The more detailed version of the chart above in the broader funding *Guidelines* and the *Proposal & Project Handbook* quotes explicit definitions of fundable resources or activities from both the Act itself and relevant court rulings interpreting the Act.

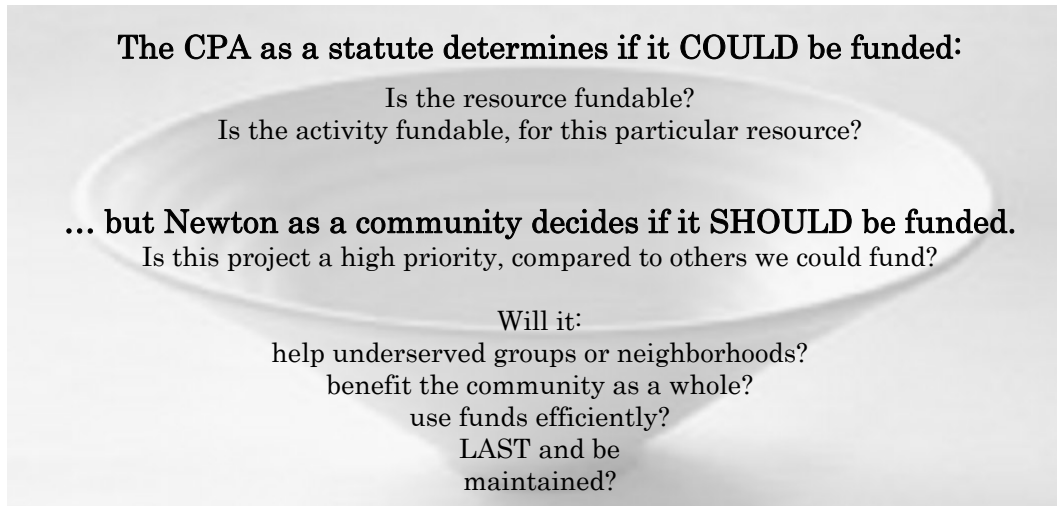
What *Should* Be Funded? Setting Local Priorities for Newton

The Proposal Funnel

Within the constraints outlined above, the Community Preservation Act gives local communities wide discretion: to adopt a property tax surcharge varying from less than 1 percent to a maximum of 3 percent; to grant a variety of special exemptions to that surcharge; and to set funding criteria that are more (but not less) restrictive than those in the Act itself.

As the diagram on the next page suggests, this combination of state requirements and community judgment creates a funding “funnel.” Some projects that are important to the local community are simply not eligible for funding; they cannot even go in at the top of the funnel. More often, a project can go in at the top but does not come out at the bottom with funding. In short, not every project that *could* be funded *should* be funded.

THE PROPOSAL “FUNNEL”



The funnel is not static, however. Over time, legislative amendments and court interpretations have reshaped its wide end. Revenue fluctuations, past spending choices (especially debt financing), and shifting community priorities continually reshape its narrow end.

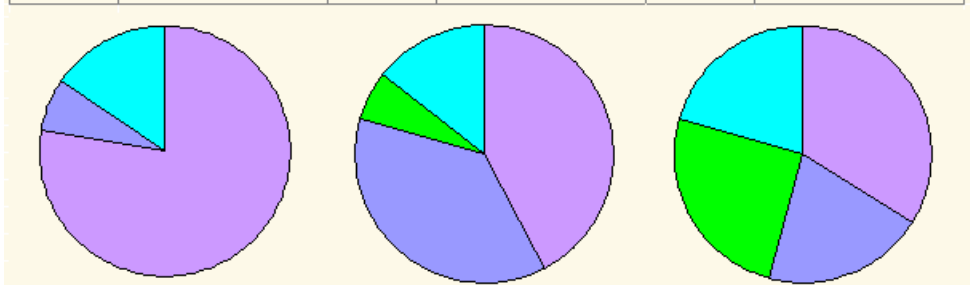
Building on a History of Achievement in a Challenging New Context

Eight years ago, Newton was one of only 36 communities to adopt the Community Preservation Act. For much of the period since, times were flush and 100 percent state matches the rule. The City of Newton used community preservation funds for an impressive array of major projects: the creation of over 100 units of permanently affordable housing; the acquisition of over 30 acres of open space and recreation land- at Kessler Woods, Angino Farm, Dolan Pond, the Flowed Meadow Conservation Area, and around Crystal Lake; the restoration of the city’s three historic burying grounds, the City Hall, the 1732 Durant-Kendrick Homestead, and the preservation of the city’s historic archives.

The buckets on the preceding page show that up to 80 percent of CP funds can be spent on a single core resource, and many CPA communities do exactly that. In contrast, Newton has distributed its cumulative CP resources relatively evenly across the four resources. However, the balance among resources varies widely from year to year, depending on the quality and urgency of proposals submitted.

Newton, Massachusetts Community Preservation Program

APPROPRIATIONS by RESOURCE					
LAST FULL YEAR		LAST 3 YEARS		CUMULATIVE	
Fiscal 2010		Fiscal 2008-2010		Fiscal 2003-2010	
78%	\$2,421,000	42%	\$3,389,800	34%	\$10,425,939
7%	\$206,040	37%	\$2,982,860	20%	\$6,196,347
0%	\$0	6%	\$495,289	26%	\$7,854,116
16%	\$482,800	14%	\$1,147,861	20%	\$6,285,117
100%	\$3,109,840	100%	\$8,015,810	100%	\$30,761,519



In the coming years, there will be less money to spend. As of June 2009, a total of 142 municipalities have adopted CPA, and therefore have a claim on state matching funds. At the same time, the transaction fee activity at the Registry of Deeds, the source for those state funds, has ebbed with the fortunes of the real estate market. For fiscal 2009, Newton’s state match was only 67 percent. In May 2009, Newton’s state match for fiscal 2010 was forecast at only 29 percent.

In the coming years, Newton’s CP Fund is likely to have about \$2 million of new funding available each year, compared to an average of nearly \$5.3 million each year over the program’s first 8 years:

<i>updated 8 Dec 2010, A. Ingerson</i>				
City of Newton, Massachusetts COMMUNITY PRESERVATION FUND	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014
AVAILABLE FUNDS	(revised from budget)	<i>Projected using conservative assumptions: Local revenue increasing 2.5% per year; state match declining 3% per year, from 25% in fy12 to 10% in fy17. State funds available each year are based on previous year's local revenue.</i>		
REVENUE				
local CPA surcharge	\$2,353,480	\$2,412,317	\$2,472,625	\$2,534,441
state matching funds <i>(fy11 confirmed)</i>	\$616,589	\$588,370	\$530,710	\$469,799
additional local revenue:				
fund balance <i>(fy11 revised from budget)</i>	\$3,531,193			
interest <i>(fy11 revised from budget)</i>	\$45,000			
TOTAL REVENUE	\$6,546,262	\$3,000,687	\$3,003,335	\$3,004,239
EXPENDITURES				
PROGRAM ADMINISTRATION & DEBT SERVICE				
program administration <i>(max 5% of current yr funds, fy11 revised from budget)</i>	(\$134,818)	(\$150,034)	(\$150,167)	(\$150,212)
debt service for Kessler Woods <i>(final payment in fiscal 2014)</i>	(\$555,750)	(\$540,750)	(\$525,125)	(\$508,500)
debt service for 20 Rogers St. <i>(final payment in fiscal 2017)</i>	(\$327,038)	(\$317,156)	(\$306,000)	(\$293,250)
TOTAL Program Administration & Debt Service	(\$1,017,606)	(\$1,007,941)	(\$981,292)	(\$951,962)
AVAILABLE FUNDS after program administration + debt service	\$5,528,657	\$1,992,746	\$2,022,043	\$2,052,277

With belt tightening and less funding from other sources, more advocacy groups and city agencies will be clamoring to spend these available funds. As municipalities across the Commonwealth are doing, Newton is also cutting important programs and positions to balance its regular budget. All discretionary projects, even those from non-budgetary sources such as community preservation funds, will be heavily scrutinized.

This fiscal climate makes it important to set clear future priorities. The CPC has adopted the following priorities for Fiscal 2010-12. Please also consult the *Guidelines* and the *Proposal & Project Handbook*.

Fiscal 2010-12 PRIORITIES for Newton

Overall

Newton should be proud of, and continue,

- ◆ allocating funds relatively evenly across the four fundable resources, over time
- ◆ encouraging projects that combine two or more fundable resources

Newton’s needs for affordable housing, open space, and recreation land are not likely to be met fully, in the foreseeable future. However, each of these resources has its own rhythm, so an even balance is not always possible or desirable within each funding year. Opportunities to invest in affordable housing may occur more often, in more places, than opportunities to acquire open space. As Newton’s *Comprehensive Plan* notes, well-planned projects can also preserve the community’s historic fabric while also using it to meet a range of current community needs, from housing to recreation.

In Fiscal 2010-12, the CPC will aim to

- 1. Integrate Planning for CP Funds with Other Citywide Plans**, including the *Comprehensive Plan*, *Consolidated Plan* (housing and community development), *Open Space & Recreation Plan*, *Heritage Landscape Report*, and future historic preservation or improved capital plans.

The multi-year time horizons in these existing plans will help the CPC evaluate current funding proposals in the context of the city's long-term needs and future proposals.

In addition, CP funds are by almost definition capital funds, because they cannot be used for maintenance. For resources in public ownership, CP funding priorities should be integrated with the improved capital planning and budgeting recommended by the Citizen Advisory Group (report online at www.ci.newton.ma.us/CitizenAdvisoryGroup/reports.html).

Finally, this integration is especially urgent for historic resources, including many if not most of Newton's public buildings and landscapes. This is currently the only category in which a resource can be rehabilitated even if it was not acquired or created with CP funds. The CPC has urged the formation of a taskforce that includes elected officials, city staff from many departments, and citizens to create a multi-year plan and priorities for funding city-owned historic resources.

- 2. Give Priority to Projects That Leverage CP Funds**

The CPC has always urged sponsors to find funds from non-CPA sources. Going forward, the CPC will require leverage for projects that (a) appear to benefit only a small area or a few residents; (b) could access additional funding sources, but have not yet done so; or (c) have no assured source of funding for future maintenance. However, the CPC has not set any specific minimum percentage of matching funds for particular types of projects, and will take into account that some neighborhoods have a greater capacity than others for private fundraising.

- 3. Make Proposal Review More Efficient: Use Pre-proposals ("One-Pagers")**

As described in the *Proposal & Project Handbook*, a pre-proposal or "one-pager" allows CP staff to provide early advice that can strengthen full proposals; allows the City of Newton Law Department to provide preliminary opinions about eligibility for CP funding; and helps the CPC consider reserving funds for worthy future projects. However, one-pagers remain optional, and the CPC will *not* base funding recommendations on one-pagers.

- 4. Make Proposal Review More Efficient: When Possible, Fund Programs Rather than Projects**

For small individual projects, the proposal review process can be onerous and costly. One way to reduce these costs is by reviewing and funding multi-year, multi-site *programs*, so that the funded departments or organizations can then allocate funds among individual projects. One example is the Newton Homebuyer Assistance Program. Another potential example, mentioned in the CPA itself, is an affordable housing trust.

- 5. Reserve Funds for Future Major Projects, Especially Open Space/Land Acquisition**

CP funds can and often should be saved for the future rather than spent in the first year they become available. The CPC plans to reduce the need for debt financing and prepare for future major projects by building up a cash reserve of approximately one year's revenue (\$2 million). Such a reserve is especially critical for land acquisition projects, because land is so expensive in Newton. If or when any of Newton's few remaining, privately owned undeveloped parcels – for example, land along Hammond Pond Parkway or the three major golf courses – is offered for sale, a cash reserve will give the community a greater voice in encouraging the use of this land for open space, active recreation, affordable housing, or a combination of these purposes.

- 6. Promote Accessibility**

For all fundable resources, the CPC will consider whether each proposed project can promote wider accessibility for people with disabilities.

Community Housing

- 1. Support Housing That Meets Goals in the *Comprehensive Plan*:
In Village-Center, Mixed-Use, or Transit-Oriented Locations**

Newton's *Comprehensive Plan* favors the development of housing in mixed-use village centers and near transit. For sites in these locations, the CPC will consider proposals to cover predevelopment costs and

planning, as long as the proposal sponsor can demonstrate clear site control. The CPC will not consider purely speculative proposals.

Historic Resources

1. Require proposals to apply the Secretary of the Interior's *Standards for the Treatment of Historic Properties*, including the *Guidelines for Cultural Landscapes*.

The *Standards* provide a model process for evaluating the significance of a historic resource, then making choices about preservation, restoration, and rehabilitation that protect the resource's most significant features. The new *Historic Resources Proposal Checklist* provides detailed instructions and resources for demonstrating that a proposal has applied the *Standards*. The *Checklist* is available on request or from the program website, www.ci.newton.ma.us/cpa/program.htm.

Open Space & Land for Recreational Use

1. Acquire Large Parcels, Especially Those With Habitat Value or Bordering Existing Open Space

Large, unfragmented parcels are of special value to wildlife and native vegetation; but small parcels can also be combined for larger impacts. The CPC will encourage proposals that combine land and funding from Newton with land and funding from bordering CPA communities – Waltham, Weston, Wellesley, or Needham; from state or federal agencies; or from private sources. The CPC will require matching funds or leverage for projects where the public benefit of enlarging existing open space or parks is concentrated in the immediate, abutting neighborhood.

2. Acquire Less Than Full Ownership of Land, or Land at Less Than Full Market Value

To make CP funding go farther, the CPC will encourage proposals in which property owners are willing to donate land or conservation restrictions, or sell them at below full-market prices.

3. Create or Preserve Linear Open Space and Paths

The CPC will encourage proposals that connect existing open spaces and recreation lands. However, the current ownership and use of existing and former corridors is often complex. Proposals must: (a) show clearly that public funds will not be spent to acquire something that the public in fact already owns; (b) propose a future form of ownership that provides permanent protection (usually by assigning underlying rights to one owner and a conservation restriction to another); and (c) if for rehabilitation rather than acquisition or creation, show that they do not involve land already designated or used for public recreation. Where (c) is in doubt, the CPC will encourage submission of a pre-proposal for a Law Department review of funding eligibility.

4. Create or Preserve Open Space and Parks Where They Are Currently Scarce

This goal faces two challenges: (a) in the city's most densely developed neighborhoods, there is little private open space, and creating new open space would often require eliminating existing, relatively affordable housing; (b) the city's maintenance budgets for existing parks are already stretched to or beyond their practical limits, raising questions about how new parks could be cared for. The CPC welcomes proposals for innovative ways to meet these challenges.

Special Issues for Recreation Land

The CPC has been urged to find ways of using CP funds to care for existing public resources, including parks and playgrounds. Many of these sites were created in the late 19th and early 20th centuries, and their remaining historically significant features may be eligible for CP-funded restoration or rehabilitation that rigorously applies the Secretary of the Interior's *Guidelines for Cultural Landscapes*.

However, a fall 2008 ruling by the Massachusetts Supreme Judicial Court clarified the limits on other uses of CP funds for parks and playgrounds that were neither acquired nor created with CP funds:

[CPA funds may be appropriated] ... for the creation of land for recreational use, not the creation of new recreational uses on existing land already devoted to that purpose. ... However, to the extent that a municipality chooses to convert land that had been used for a purpose other than recreational use, including blighted land, or land that, at some point in the past, ceased to exist for recreational purposes, that action... would constitute the creation of land for

recreational use, and CPA funds could be appropriated for the necessary costs of the project (SJC ruling 10135, 24 October 2008).

The CPC encourages anyone interested in this issue to participate in current debates about whether to amend the CPA to allow funding of park and playground rehabilitation proposals that are neither intended nor designed as historic resource projects.

Proposal Process & Next Deadline

The CPA defines the roles of two distinct groups in the process of allocating funds:

- ◆ The Community Preservation Committee has the sole right to recommend projects for funding.
- ◆ The local legislature has the sole power to appropriate CPA funds – to accept or reject the recommendations of the CPC. In Newton, this group is the Board of Aldermen.

As required by the CPA, Newton’s Community Preservation Committee includes members representing and appointed by the Conservation Commission, the Planning and Development Board, the Housing Authority, the Historical Commission, and the Parks and Recreation Commission. As permitted by the CPA, Newton’s committee also has four members appointed by the Mayor, representing all of the city’s wards and each of the four fundable resources. Newton’s CPC has imposed a limit of two consecutive 3-year terms for any member. The chairmanship rotates annually.

The CPC’s staff program manager, Alice Ingerson, invests significant time to help sponsors submit their strongest possible proposal. A pre-proposal or ‘one pager’ is often useful in this process.

Public hearings are held for all proposals (usually one hearing for all new proposals). All proposals are also reviewed for funding eligibility by the city’s Law Department, then evaluated and discussed by the CPC at one or more working sessions. As part of its review, the CPC also consults appropriate city departments and boards, community groups, and others with relevant expertise or interests.

Proposals recommended by the CPC are then reviewed by two or more committees of the Board of Aldermen before they are voted on by the full Board.

The *Proposal & Project Handbook* includes a diagram of Newton’s full proposal review process and is available on the program website (www.ci.newton.ma.us/cpa/program.htm),

Proposals for the fiscal 2012 regular funding cycle are due by 4 pm on Friday, 14 October 2011.

Detailed requirements are on the “Guidelines & Forms” page of the program website, www.ci.newton.ma.us/cpa/program.htm

The CPC accepts proposals outside the regular funding cycle only for real estate acquisitions, when a potential seller is unable or unwilling to delay a sale to fit the regular schedule. This policy allows the CPC to weigh the relative merits of each proposal against others, both current and future, rather than allocate funding on a ‘first-come, first-served’ basis.

These *Priorities* were re-affirmed by the Community Preservation Committee on 17 March 2010.

<i>CHAIR</i> Nancy Grissom,	Mayoral Appointee, Open Space
<i>VICE CHAIR</i> Walter Bernheimer II,	Parks and Recreation Commission
Zack Blake,	Newton Historical Commission
Leslie Burg,	Planning and Development Board
Michael Clarke,	Mayoral Appointee, Open Space
Stephen P. Fauteux,	Mayoral Appointee, Recreation
Joel Feinberg,	Mayoral Appointee, Community Housing
Dan Green,	Conservation Commission
Thomas Turner,	Newton Housing Authority