

Community Preservation Program

Mission

To preserve and renew Newton's cultural, economic and environmental diversity with our Community Preservation Act funds.

Newton voters adopted the Massachusetts Community Preservation Act (CPA) in 2001, by accepting a 1% surcharge on City real estate taxes. This local funding in turn qualifies Newton for state matching funds from fees collected by the Registry of Deeds.

The CPA state statute limits the use of these special funds to:

- affordable housing (including for families, residents with disabilities or special needs, seniors, ...)
- historic resources (including archives, art, buildings, landscapes, ...)
- open space (including land for trails, wildlife habitat, watershed protection, ...) or
- recreation land (including land for parks, playgrounds, playing fields, ...)

CPA funds also have other special requirements and options: Real estate acquired with CPA funds must be restricted to its CPA-eligible use in perpetuity. In addition, CPA funds may be used only for capital improvements, not for maintenance or operations; must augment regular public funds, not replace them; and may be saved and combined over multiple years for major projects.

Only the City Council may appropriate CPA funds, but those appropriations must be based on recommendations from an all-volunteer Community Preservation Committee (CPC). In addition to the 5 members that the statute requires other City boards to appoint, Newton's CPC has the maximum 4 nonstatutory members, appointed by the Mayor. Newton's CPA ordinance aims to ensure that the CPC represents all neighborhoods and all CPA-eligible resources, and Newton's CPC strives to make its recommendations to the Council unanimous whenever possible.

In combination, these requirements and practices allow Newton's CPA program to take a collaborative approach to community needs that in other settings are often seen as competing.

Newton Highlands Playground

Jackson Road
(Haywood House)

Allen House

300 Hammond Pond Parkway
("Webster Woods")

Stanton Avenue /
Goldschmid House

Newton City Hall

As of late February 2019, the Community Preservation Committee (CPC) and the City Council had approved the following new CPA project funding in Fiscal 2019:

- \$3,000,000 for the Newton Housing Authority's Haywood House, 55 elevator-served units of permanently affordable new rental housing for seniors, off Jackson Road (Newton Corner)
- \$100,000 for outside counsel and other services to design a strategy for protecting open space at 300 Hammond Pond Parkway ("Webster Woods")

By the end of calendar 2019, the CPC anticipates a substantial additional request to implement this strategy. The Committee expects to recommend raising most of these funds through bonds based on Newton's future local CPA revenue.

- \$3,250,000 for the expansion of 2Life Communities' Golda Meir House, with 60 new elevator-served, permanently affordable rental units, nearly all for seniors, on Stanton Avenue (Auburndale)
- \$30,000 to the Newton Conservators for the costs of holding the conservation restrictions required by the Community Preservation Act on two past CPA-funded land acquisitions
- \$600,000 of supplemental funding for the Newton Cultural Alliance's conversion of the historic Nathaniel

Allen Homestead on Webster Street (West Newton) into a cultural center

The Newton Public Buildings Department also recently asked the CPC to consider the following request ahead of the annual Fiscal 2020 CPA funding round:

- \$214,500 to design the restoration of the exterior stairs, and provide accessibility improvements, for both City Hall and the War Memorial Auditorium, as part of an anticipated total \$2,332,000 CPA request for design and construction

Unless additional new projects are funded in Fiscal 2019, Newton's Community Preservation Fund should have over \$13 million in forwarded fund balances and new local and state funds available for new project funding at the start of Fiscal 2020. Some of these funds will be restricted to a particular resource, as required by the state CPA statute, but over \$11 million will be available for any CPA-eligible use.

The CPC has also begun planning for potential updates to Newton's CPA ordinance and for its first staff transition since 2007, as Program Manager Alice Ingerson, whose position is funded entirely by the program, looks toward retiring about halfway through Fiscal 2020.

Barney S. Heath

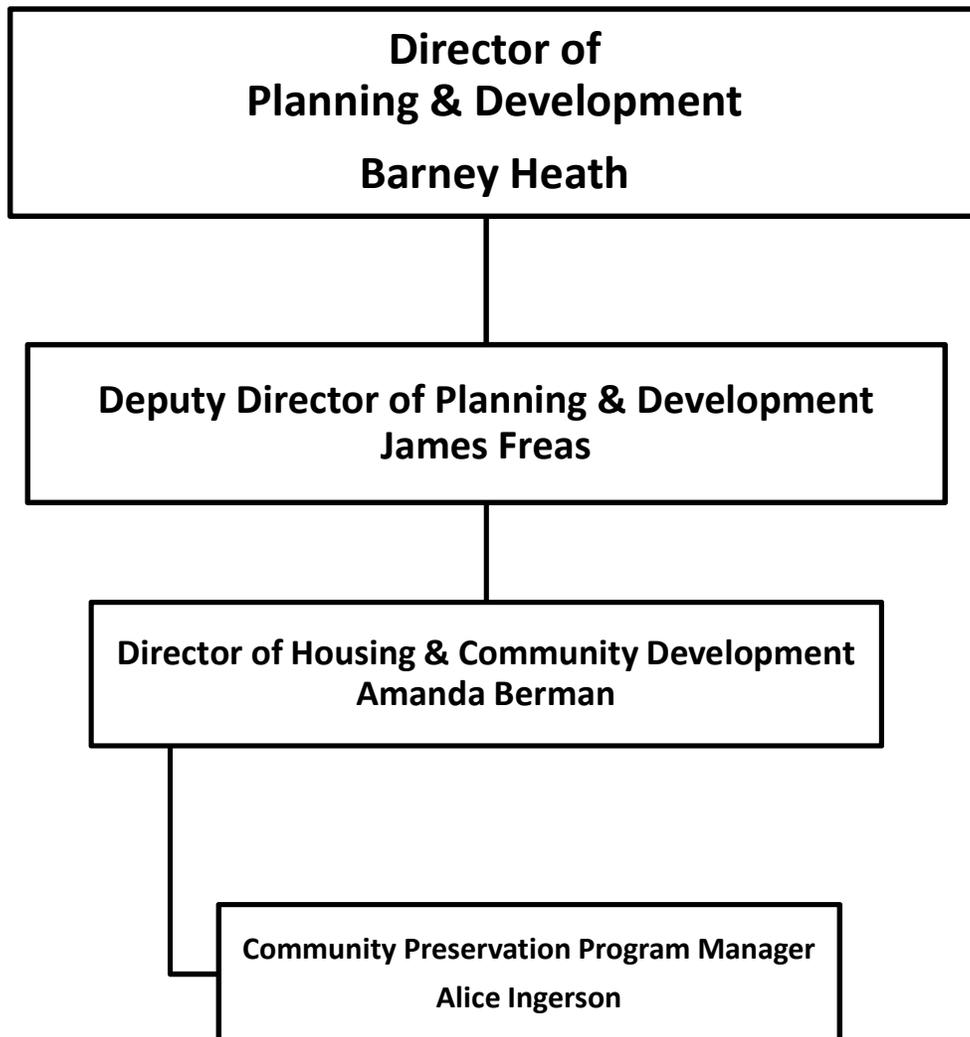
Director, Newton Department of Planning & Development

This budget was adopted by the Newton Community Preservation Committee on March 12, 2019 by a vote of 8-0, with 1 member absent.

| City of Newton, Massachusetts Community Preservation Program Budget | Fiscal 2019 budgeted | Fiscal 2020 approved by CPC 12 March 2019 |
|---|-------------------------|---|
| REVENUE | | |
| local CPA surcharge | \$3,062,574 | \$3,394,845 |
| state matching funds | \$253,970 | \$352,196 |
| undesignated fund balance (<i>"lagged" state funds --funds above the amount in prior-year budget confirmed too late to include in that year's budget</i>) | \$240,424 | \$360,816 |
| TOTAL REVENUE | \$3,556,967 | \$4,107,858 |
| EXPENDITURES | | |
| PROGRAM ADMINISTRATION & DEBT SERVICE | | |
| Program Administration | -\$160,044 | -\$205,075 |
| Debt Service (<i>none currently, but Fy20 may have to include issuance and initial principal + interest payment for open space acquisition</i>) | | \$0 |
| BUDGETED RESERVES | | |
| Community Housing Reserve (<i>10% of annual new funds</i>) | -\$355,697 | -\$410,786 |
| Historic Resources Reserve (<i>10% of annual new funds</i>) | -\$355,697 | -\$410,786 |
| Open Space Reserve (<i>10% of annual new funds</i>) | -\$355,697 | -\$410,786 |
| General Reserve (<i>all annual new funds not budgeted for debt service, program administration or restricted reserves</i>) | -\$2,329,833 | -\$2,670,426 |
| TOTAL EXPENDITURES | -\$3,556,967 | -\$4,107,858 |

| Newton, Massachusetts COMMUNITY PRESERVATION PROGRAM | | |
|--|-------------------------|---|
| Detail for Program Administration | Fiscal 2019 budgeted | Fiscal 2020 approved by CPC 12 March 2019 |
| PERSONNEL | | |
| Program Manager(s) - (<i>1 yr salary + benefits for current staff, anticipating 0.5 year current staff + 0.5 yr new staff</i>) | \$118,794 | \$133,925 |
| Work by Other Depts. | \$3,500 | \$6,000 |
| SUBTOTAL Personnel | \$122,294 | \$139,925 |
| OTHER | | |
| Consultants (<i>anticipating part-time transitional assistance from retired staff</i>) | \$24,250 | \$50,000 |
| Advertising/ Publications | \$500 | \$2,500 |
| Audiovisual Equipment | \$500 | \$500 |
| Computer Software | \$500 | \$500 |
| Computer Supplies | \$500 | \$1,000 |
| Dues & Subscriptions | \$7,900 | \$7,900 |
| Office Supplies & Equipment | \$500 | \$500 |
| Postage | \$600 | \$1,000 |
| Printing | \$1,500 | \$500 |
| Signs | \$1,000 | \$750 |
| SUBTOTAL Other Expenses | \$37,750 | \$65,150 |
| TOTAL All Expenses | \$160,044 | \$205,075 |

Planning & Development
Community Preservation Program



Newton Community Preservation Program Financial and Operating Highlights

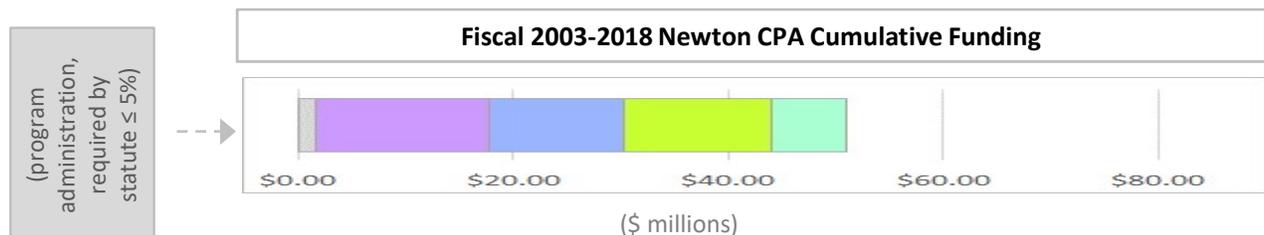
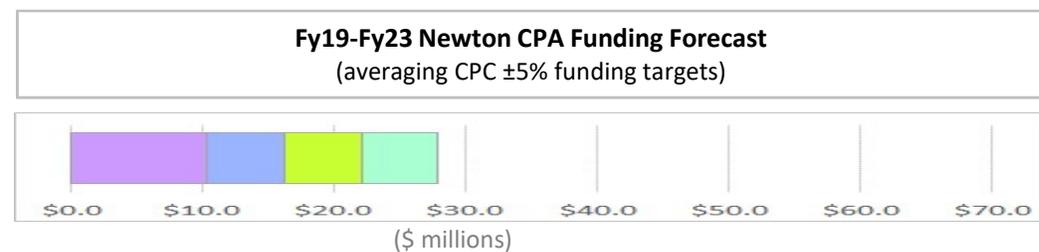
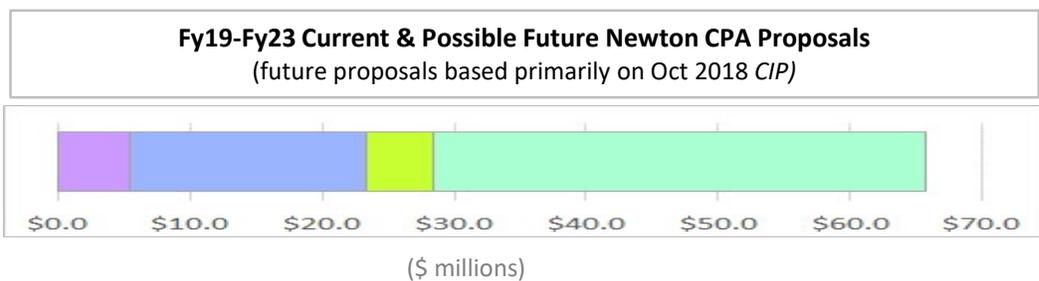
Financial Highlights

| | -----Actual----- | | | | <-Adj Budget-> | | <-Proposed-> |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------|
| | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | |
| Expenditure by Department | | | | | | | |
| Comptroller | \$ 9,727 | \$ 2,882,146 | \$ 12,402 | \$ 14,059 | \$ 242,324 | \$ 3,923,276 | |
| Treasurer | \$ 280,500 | \$ 269,344 | \$ - | \$ - | \$ - | \$ - | |
| City Solicitor | \$ - | \$ - | \$ - | \$ - | \$ 100,000 | \$ - | |
| Planning | \$ 368,944 | \$ 796,635 | \$ 2,106,688 | \$ 1,371,300 | \$ 7,098,417 | \$ 184,583 | |
| Public Buildings | \$ 6,543 | \$ 133,511 | \$ - | \$ - | \$ - | \$ - | |
| Public Works | \$ 1,250 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Parks and Rec | \$ 453,800 | \$ 93,800 | \$ - | \$ - | \$ - | \$ - | |
| Historic | \$ 5,468 | \$ 110,500 | \$ - | \$ - | \$ - | \$ - | |
| Total | \$ 1,126,232 | \$ 4,285,936 | \$ 2,119,090 | \$ 1,385,359 | \$ 7,440,741 | \$ 4,107,859 | |
| % Incr | | 280.56% | -50.56% | -34.62% | 437.10% | -44.79% | |

Personnel

| | | | | | | |
|--------------------|----------|----------|----------|----------|----------|----------|
| Full-Time Employee | 1 | 1 | 1 | 1 | 1 | 1 |
| Part-Time Employee | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1 | 1 | 1 | 1 | 1 | 1 |

| KEY |
|--|
| affordable housing |
| historic resources |
| land acquisition (open space or recreation) |
| land rehabilitation (open space or recreation) |



(program administration, required by statute ≤ 5%)

Community Preservation Program

Fiscal Year 2020 Outcomes and Strategies

Outcome 1

Maintain the Program's Reputation for Transparency and Fairness

The CPC sees a strong reputation for transparency and fairness as critical for continuing public support of Newton's CPA program. This goal is achieved partly through the term limits for CPC members (two consecutive 3-year terms) in Newton's CPA ordinance; partly by applying the same

process to all proposals, regardless of who sponsors each project; and partly by encouraging active community engagement with CPA funding decisions. Newton's CPC:

- considers all funding requests in a competitive annual funding round, while also allowing "off-cycle" consideration in exceptional circumstances
- discusses a pre-proposal for each project at the CPC's regular monthly public meetings, to advise the proposal sponsor and to decide whether and when to invite a full proposal
- making each full proposal, if one is invited, available online for at least 1 month before the public hearing, so residents unable to attend the hearing can submit comments before the CPC vote
- holding a public hearing on each proposal before voting on whether to recommend funding by the City Council
- publicizing deadlines, proposals, agendas, and program events through all available media
- considering each proposal sponsor's past record of project management and maintenance when reviewing new proposals from that sponsor

Some local CPA programs operate without staff, but Newton's CPC considers a full-time staff position necessary to help manage all parts of this process. The City Council has consistently approved funding for this position under the CPA statute's direction that "expenditure of revenues from the [community preservation] fund shall be limited to implementing the recommendations of the community preservation committee and providing administrative and operating expenses to the committee."

In Newton's ordinances, Chapter 7, Article VIII covers the organization and operation of the Community Preservation Program. Several potential updates to the ordinance should be considered in 2019:

1. The CPA statute requires that "In the case of a city, the [local CPA] ordinance shall provide for the mechanisms under which the legislative body may approve and veto appropriations made pursuant to this chapter, in accordance with the city charter." This requirement was introduced in 2012, but it made sense for Newton to address it only after its 2015-17 consideration of charter reform.
2. The ward residency requirements for the Mayor's 4 nonstatutory appointments to the CPC were intended to ensure that the CPC represented all parts of the City. However, as the 5 statutory appointments do not have residency requirements, Newton's CPC sometimes still has more members from some neighborhoods than from others. Newton could consider alternative language

Outcome 2

Consider Updates to Newton's CPA Ordinance

Community Preservation Program

Fiscal Year 2020 Outcomes and Strategies

similar to that in Boston’s brand-new CPA ordinance, which requires the nonstatutory CPC appointments to “reflect the ethnic, racial, socioeconomic, and geographic diversity of the City ... [and] take into account the backgrounds of the five [statutory] members.”

- Finally, the sections of the ordinance requiring staggered terms for the initial CPC appointments in 2002 could now be deleted.

Outcome 3

Seek Additional Community Feedback on CPA Funding Priorities

The CPA statute requires each community’s Community Preservation Committee to “study the needs, possibilities and resources of the city or town regarding community preservation.” This overview has become even more important for Newton’s CPC in recent years, as more

proposals have requested “off-cycle consideration” outside the annual, competitive funding round.

The CPC is planning a special community outreach effort in 2019 to help its new staff person start work early in 2020 with a clear sense of what Newton as a community wants and expects from its CPA program. This outreach will include an online survey; meetings with other Newton boards, commissions, and nonprofits; and (with permission) an insert in City real estate tax bills. These two key components of the CPC’s current funding guidelines reflect the results of recent past community outreach:

| Newton CPA Allocation Targets: Balancing Funds Across Resources | | | ± 5% |
|---|---------------------------------------|----------------------------------|---------|
| affordable housing (statutory minimum 10%) | | | 35 ±5% |
| historic resources (statutory minimum 10%) | | | 20 ±5% |
| open space & recreation land | acquisition | (combined statutory minimum 10%) | 20 ±5% |
| | rehabilitation / capital improvements | | 20 ±5% |
| total, min. (-5%) – max. (+5%) | | | 75-115% |

Whether a project is *CPA-eligible* is determined by the state CPA statute. Newton’s CPC has adopted these criteria for determining whether eligible projects are also *CPA-appropriate* in Newton:

| Newton CPA project categories | CPA appropriateness & leverage |
|--|--|
| special public resources and public-private partnerships: publicly or privately owned assets that benefit all Newton residents & neighborhoods, including permanently affordable housing | highest priority for CPA funding, with these minimums from other sources: 30% for public projects, 50% for private projects |
| limited-benefit special public resources: publicly owned assets that benefit only some Newton residents or neighborhoods | lower priority for CPA funding, with at least 60% non-CPA funding |
| core public resources: assets already in public ownership and that the City of Newton would be obligated to rehabilitate even if Newton had not adopted the CPA ... except for the incremental <i>additional</i> cost of historically appropriate methods or materials | usually not appropriate for CPA funding ... |
| limited-benefit private resources: privately owned assets that benefit only some Newton residents or neighborhoods | not appropriate for CPA funding |

FUND: 21 - CPA FUND
 DEPARTMENT: ALL DEPARTMENTS

CITY OF NEWTON BUDGET
 PERSONNEL DETAIL

| Account | Position Title Employee Name | Benefits Date | | | Holiday | | Grade | F.Y. | FTE | GROSS |
|---|---|---------------|--------------|------------|----------|----------|-------|----------------|-------------|----------------|
| | | Hire Date | Yrs. Service | Longevity | OPEB | Add Comp | | | | |
| 114 - PLANNING & DEVELOPMENT | | | | | | | | | | |
| 21Z114 - CPA ADMINISTRATION | | | | | | | | | | |
| 511001 | CPA PROGRAM MANAGER | 4/23/2007 | | | | 0 | | FY 2019 | 1.00 | 99,779 |
| | INGERSON, ALICE | 4/23/2007 | 10.2 | 900 | 0 | 0 | H9-25 | FY2020 | 1.00 | 103,585 |
| | Account Totals: | | | | | 0 | | FY 2019 | 1.00 | 99,779 |
| | | | | 900 | 0 | 0 | | FY2020 | 1.00 | 103,585 |
| | TOTAL CPA ADMINISTRATION | | | | | 0 | | FY 2019 | 1.00 | 99,779 |
| | | | | 900 | 0 | 0 | | FY2020 | 1.00 | 103,585 |
| | TOTAL PLANNING & DEVELOPMENT | | | | | 0 | | FY 2019 | 1.00 | 99,779 |
| | | | | 900 | 0 | 0 | | FY2020 | 1.00 | 103,585 |