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Community Preservation Committee

FUNDING GUIDELINES

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1. Use existing community-wide plans to guide funding decisions.

As required by the Community Preservation Act (CPA), in 2002-03 Newton's first Community Preservation Committee created a *Community Preservation Plan* analyzing the City's CPA-related needs, possibilities and resources. Since then, the City has adopted a new *Comprehensive Plan* (2007), conducted several surveys of its CPA-eligible resources and created a new, more rigorous *Capital Improvement Plan*. Newton also regularly updates its *Consolidated Plan for Housing & Community Development* and its *Recreation & Open Space Plan.* Most of these plans involve significant public participation.

The basic analysis in the original *Community Preservation Plan* is still valid, but the CPC now relies primarily on these newer, regularly updated plans to identify community needs. In particular, the Committee will support:

- *For all resources,* accessibility in excess of legal requirements, where appropriate
- *For affordable housing,* the development of housing that is permanently deed-restricted to serve income groups prioritized by the *Consolidated Plan,* in locations prioritized by the *Comprehensive Plan*
- *For historic resources*, projects that address needs identified in plans such as the *Archaeology Survey, City Archives Survey*, *City Historic Buildings Survey*, *Early Architecture Survey,* and *Heritage Landscapes Report*
- *For open space and recreation land,* the acquisition of additional sites or easements for public ownership, and the development or improvement of sites already in public ownership, as listed in the "Action Plan" section of the *Recreation & Open Space Plan*
- *For projects to be managed by City departments,* projects that address both the risk-based priorities in the *Capital Improvement Plan* as well as the community-character priorities in other plans

2. Balance the allocation of funds across all eligible resources and allowable uses.

The CPA provides state and local funds for affordable housing, historic resources, open space and recreation land. Like Newton's past funding pattern, these *Guidelines* for future funding reflect our community's strong, continuing support for all four CPA-eligible resources:

	Program Admin.	**Affordable Housing**	**Historic Resources**	**Open Space**	**Recreation Land**	**General** (any eligible resource)
Required by the CPA	maximum 5%	minimum 10%	minimum 10%	minimum 10%	no requirement	maximum 65%
Newton: Past, Fy03-Fy12	3-4%	31%	22%	25%	18%	--
				Open Space & Recreation Land		
				acquisition 36%	rehabilitation 7%	
Newton: Future, Fy13-20	3-5%	25-40%	15 -20%	acquisition 20-30%	rehabilitation 15-20%	--

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Guidelines continue on p.-2.

The CPC intends these target ranges to:

- minimize the need for future debt financing, by building a reserve for future projects equal to about one year's worth of new funds, while also making funds available for current proposals
- encourage longer-term planning, while also making funds available for projects that must respond to unpredictable opportunities (especially for real estate acquisition)
- encourage multi-resource projects, which can use funds targeted for several resources

However, the CPC also sees these ranges as guidelines, not guarantees. In any actual year, the funding recommended for any resource may vary widely from the target range for that resource, and funds will still be reserved for future proposals rather than recommended for current proposals that are not compelling, for any resource. If the mix of proposals received or recommended differs systematically from these ranges over several years, the CPC will adjust the ranges.

The CPC also seeks to balance funding across all eligible resources and allowable uses by supporting:

- *for all resources and sponsors,* projects that benefit the community as a whole and that raise the maximum possible funding from non-CPA sources
- *For housing,* both rental and homeownership opportunities; and the creation of a municipal affordable housing trust, if it will efficiently expedite the creation of affordable housing
- *for historic resources,* both already recognized or protected resources and the extension of recognition and protection, by making funds for previously unprotected resources contingent on landmarking, granting a preservation restriction, or inclusion in a local historic district
- *for the rehabilitation of open space or recreation land,* only improvements that have a very long useful life and are designed for both sustainability and ease of maintenance
- *for resources neither in public ownership nor proposed for public acquisition*, only projects that provide significant public benefits and, other than for housing, public access

3. Support proposals with a high probability of success, based on their sponsors' demonstrated capacity for project management and long-term maintenance.

The Community Preservation Committee's proposal review process aims to identify projects that satisfy the criteria above, that will be managed efficiently, and that will be adequately maintained without additional CPA funding. The Community Preservation Act prohibits funding for routine operating costs or maintenance.

PRE-PROPOSAL & PROPOSAL PROCESS

The Committee uses the criteria in these *Guidelines* to evaluate both pre-proposals and full proposals.

- *Pre-proposals*: The CPC requires a 3-page pre-proposal for each project – the equivalent of a "letter of inquiry" to a private foundation. The Committee does not hold public hearings on pre-proposals but discusses each one at a regular public meeting, with two primary goals: to strengthen the pre-proposal if it is incomplete or poorly presented, and to decide whether or when to encourage submission of a full proposal. Pre-proposals that the Committee decides merit further consideration will move to the full proposal stage, but moving to that stage is not a guarantee of final approval.
- *Full proposals:* The Committee holds a full public hearing and one or more working sessions on each full proposal before voting on whether to recommend it to the Board of Aldermen for funding.

SCHEDULE & DEADLINES

- *Pre-proposals are accepted on a rolling basis,* with an annual cutoff date to ensure that sponsors have enough time to prepare their full proposals by the next annual deadline.
- *Most full proposals are accepted in an annual funding round,* usually in the fall, to help the Committee and the public evaluate competing uses of available funds and to encourage longer-term planning by proposal sponsors.
- *Upon request from the sponsor, the CPC may agree to consider a proposal that involves real estate acquisition on a rolling basis.*

Guidelines continue on p.-3.

PROPOSAL REQUIREMENTS

The CPC asks sponsors to submit the detailed information the Committee needs to evaluate and compare proposals. Additional requirements omitted from this summary are listed in the full proposal instructions online.

Eligibility, Priorities & Community Support

- *Eligibility:* evidence that the project satisfies the requirements of the Community Preservation Act
- *Priorities:* specific citations from two or more community wide plans showing how the project addresses previously identified community needs or priorities
- *Community support:* letters, petitions or contacts showing that Newton residents from beyond as well as within the project's immediate neighborhood support the project. In the case of housing, the CPC will not require applicants to take actions contrary to the principles of affirmatively serving fair housing.

Management Capacity

- *Ownership/ site control:* the primary sponsor must be the private organization or public department with long-term responsibility for the resource or site to be funded; for projects involving real estate, private sponsors must submit a legally binding option, purchase & sale agreement, or deed
- *Timeline:* anticipated key dates from initial funding through final completion
- *Project manager:* relevant training & experience and availability; the project manager must be the primary presenter at all public meetings and hearings about the proposal or project
- *Management strategy for City projects:* Since CPA funds may not be used to fund continuing regular staff positions, proposals for projects to be managed by City departments should be submitted in "sets" of several projects with similar management requirements, so that each "set" can share a single temporary, contracted project manager.

Financial Capacity

- *For the project:* development budget and 10-year operating budget, showing all sources & uses of funds, not just requested CPA funding
- *For the project sponsor:* sponsoring organization's or department's most recent annual operating budget (revenue & expenses), including funds for maintenance, and most recent annual financial statement (assets & liabilities), including private resources
- *For real property acquisition:* appraisal by an independent, certified real estate appraiser

Other Requirements

- *Codes, permits & standards:* evidence of compliance with all applicable building, permitting, zoning and environmental codes or laws
- *Professional designs & cost estimates:* if final designs and estimates consistent with the project's scale and scope are not available, the CPC may request a separate proposal for "design" prior to any proposal for construction funding. The CPC does not normally consider requests for "capacity building" (fundraising plans, feasibility studies, etc.)
- *For historic resources:* analysis of historic significance & significant features, listing on the state/ National Register of Historic Places or written confirmation of local significance by the Newton Historical Commission, and a scope of work that complies with federal preservation or rehabilitation standards

4. Evaluate Projects to Ensure Accountability & Improve Future Projects

When recommending funding, the CPC identifies key project results that may be modified after funds are appropriated only with the explicit approval of the CPC, and in some cases, the Board of Aldermen.

The CPC requires regular progress reports from project managers and makes final release of CPA funds for each project contingent on the project manager's presentation of a final in-person and written report to the CPC.

The CPC and its staff monitor projects after completion to learn which kinds of projects have provided the best long-term returns on initial investments of CPA funds and have been maintained adequately without additional CPA funds, and why.

When reviewing each new proposal, the CPC takes into account the sponsor's past record of project management and maintenance.

See next page for "Allowable Uses of Funds" chart.

Revised to reflect amendments to the CPA in July 2012

Newton, Massachusetts COMMUNITY PRESERVATION PROGRAM

ALLOWABLE SPENDING PURPOSES

Newton's Community Preservation Program website **www.newtonma.gov/cpa** *includes* Funding Guidelines, *proposal instructions & form (read-only - request fillable version), reports on current status of proposals & projects, annual & cumulative reports, and more.*	**Community Housing {C}**	**Historic Resources**	**Open Space**	**Land for Recreational Use**
	housing for individuals and households with low (below 80% of area median, as defined by U.S. Dept. of Housing & Urban Development) and moderate (below 100% of area median, as defined by HUD) incomes, including housing for seniors	*a building, structure, vessel, real property, document or artifact that is listed or eligible for listing on the state register of historic places or has been determined by the local historic preservation commission to be significant in the history, archeology, architecture or culture of a city or town*	*includes, but is not limited to, land to protect existing and future well fields, aquifers and recharge areas, watershed land, agricultural land, grasslands, fields, forest land, fresh and salt water marshes and other wetlands, ocean, river, stream, lake and pond frontage, beaches, dunes and other coastal lands, lands to protect scenic vistas, land for wildlife or nature preserve and land for recreational use*	*for active or passive recreational use including, but not limited to, community gardens, trails, noncommercial youth and adult sports; and use as a park, playground or athletic field but not for horse or dog racing or for a stadium, gymnasium or similar structure*
ACQUIRE obtain by gift, purchase, devise, grant, rental, rental purchase, lease or otherwise	**YES**	**YES**	**YES**	**YES**
CREATE	**YES**	**NO**	**YES**	**YES {E}**
PRESERVE {A} protect from injury, harm, or destruction	**YES**	**YES**	**YES**	**YES**
SUPPORT	**YES**	**NO**	**NO**	**NO**
REHABILITATE / RESTORE - capital improvements **{B}** - extraordinary repairs for the purpose of making [resources] functional for their intended use - including but not limited to improvements to comply with the Americans with Disabilities Act	**YES, IF acquired or created with CP funds**	**YES {D}**	**YES, IF acquired or created with CP funds**	**YES {F}**

{A} CPA funds "shall **not** replace existing operating funds, only augment them," and may **not** be used for maintenance, defined as "incidental repairs which neither materially add to the value of the property nor appreciably prolong the property's life, but keep the property in a condition of fitness, efficiency or readiness."

{B} "Capital improvement" is the reconstruction or alteration of real property that: (1) materially adds to the value of the real property or appreciably prolongs the useful life of the real property; (2) becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; and (3) is intended to become a permanent installation or is intended to remain there for an indefinite period of time.

{C} Allowable uses for community housing include, but are not limited to, appropriations to an affordable housing trust and programs that provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families who are eligible for community housing or to an entity that owns, operates or manages such housing, for the purpose of making housing affordable.

{D} Historic resources proposals in Newton must comply with the U.S. Secretary of the Interior's Standards for the Treatment of Historic Properties (www.nps.gov/history/hps/tps/standards_guidelines.htm), and/or the associated guidelines for historic landscapes (www.nps.gov/hps/hli/landscape_guidelines).

{E} For "create" only, the definition articulated by Supreme Judicial Court Ruling 10135, in October 2008 still applies: "... 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."

{F} Including "the replacement of playground equipment and other capital improvements to the land or the facilities thereon which make the land or the related facilities more functional for the intended recreational use." However, CPA funds may not pay for artificial turf.

This chart was adapted from handouts prepared by the Massachusetts Department of Revenue for the Community Preservation Coalition; it has been unofficially & tentatively revised to reflect amendments made to the CPA in July 2012. Please also consult the Coalition's website: **www.communitypreservation.org.**