

**Community Preservation Committee
Town of Needham, Massachusetts**

Report to Town Meeting – May 2023

Introduction

In November 2004, the voters of Needham adopted the legislation known as the Massachusetts Community Preservation Act (CPA), a funding mechanism for Cities and Towns to award grants to applicants to support community housing, the preservation of historic resources, the acquisition and preservation of open space, and the restoration and investment in recreational resources. The Needham Community Preservation Committee (CPC) is responsible for implementing Needham's Community Preservation Plan pursuant to the requirements of the CPA. In March 2023, the CPC voted and approved an update to the CPA Plan. Since November 2005, the CPC has forwarded numerous projects to Town Meeting for final approval, the largest of which was the preservation and reconstruction of Town Hall.

The committee membership is defined by the requirements of the CPA as adopted by Needham. The nine-member committee consists of a member of each of the following boards or committee: Planning Board, Conservation Commission, Park and Recreation Commission, Historical Commission, Housing Authority, and two members each appointed by the Town Moderator and Select Board.

A summary of the CPC's FY2023 activities follows. Applications for this year were received in December of 2022. These applications were vetted and voted on by the CPC initially for eligibility for funding under the CPA. The applications were then assigned liaisons who worked with the proponents to answer committee questions. In March, the CPC Chair and Vice Chair met with the Select Board and the Finance Committee to consult on the proposals. A public hearing was held on March 15, 2023 with access both in person and remotely.

Agendas, minutes, and the Needham Community Preservation Plan are available on the Town's website at <http://needhamma.gov/CPC>

Sources of Available Funds

Tax Surcharge Receipts

Needham residents are currently billed a 2% surcharge on property taxes after the first \$100,000 valuation, as a result of a town-wide vote accepting CPA. For FY2024, it is estimated that Needham will collect \$3,212,000 in CPA property tax surcharges. The CPA fund also generates revenue from penalties and interest assessed on overdue CPA charges and interest income on the CPA funds in the bank.

State Community Preservation Fund

Needham receives a distribution from the Massachusetts Community Preservation Trust Fund, and to date, since adoption of the CPA, has received a total of \$12,155,617 from this fund. The most recent distribution, in November 2022 was \$1,131,787, a 38.51% match to local collection.

The match over the years has fluctuated from 100% after initial adoption of the CPA by Needham, to as low as 17.2% in FY2018. Additional communities adopting CPA, including the City of Boston in 2016, has resulted in an increase in the number of communities that are eligible for the state match, thereby reducing the match percentage that Needham has received over time. Legislation was passed in July 2019 provided for an increase in fees that go toward the Community Preservation Trust Fund, which should help stabilize the state match moving forward.

Fund Balances

State law mandates that annually, at least 10% of surcharges plus state distribution funds be spent on actual projects or be allocated for future projects in three specific CPA reserves: Community Housing, Open Space, and Historic Resources. The remainder of the funds, minus funds appropriated for administrative expenses, is appropriated to an Annual Reserve, which can only be used for projects in these three areas and/or qualifying recreational projects.

Needham's CPC has elected to target 11% of the estimated receipts for each special reserve to ensure compliance with the mandate. However, the CPC again decided to recommend that 22% of the estimated receipts be appropriated to the Community Housing Reserve to hold aside funds for future housing needs. A couple of years ago, the CPC recommended and Town Meeting appropriated 22% of the revenue estimate to the Community Housing Reserve and did the same last year. This would be the third year that funding the Community Housing Reserve is based on 22% rather than 11%.

As a result of previous appropriations, the reserve balances available for appropriation at the May 2023 Annual Town Meeting are as follows:

Community Housing:	\$2,626,652
Open Space:	\$1,890,345
Historic Resources:	\$ 72,937
2023 Annual Reserves:	\$1,385,308
Free Cash:	\$2,546,868
TOTAL:	\$8,522,110 as of April 16, 2023

The unspent 2023 Annual Reserve, CPA Free Cash, remaining administrative funds and completed CPA project funds must be returned to the CPA fund and be recertified as CPA Free Cash before the funds will be available for future appropriations.

The CPC is recommending appropriation of two projects to be funded at the 2023 Annual Town Meeting from Free Cash. After subtracting the appropriations for these two projects, the CPA related debt service under the FY2024 General Fund Operating Budget, and accounting for the FY2024 appropriations under Article 21 and the adjustments to the reserves due to the increased state match revenue under Article 22, the balances in the respective funds would be:

Community Housing:	\$3,649,749
Open Space:	\$2,401,894
Historic Resources:	\$ 106,669
2024 Annual Reserve:	\$1,749,706

Please note the figures assume that \$82,000 has been appropriated for the FY2024 administrative expenses. ***It does not include the eventual CPA Free Cash that should be finalized in late calendar year 2023.***

Administrative Expenses

The CPC Administrative Funds may be used to pay for the expenses related to the work of the committee, including office supplies, mailings legal notices, appraisals, consultant fees, property

deposits, as well as the recording secretary salary and the staff liaison stipend. The Needham CPC is a member of the Massachusetts Community Preservation Coalition and pays annual dues to the association, currently \$7,900. The Coalition provides regular consultation services to the CPC and monitors and informs member communities on state legislative activity related to the Community Preservation Act.

Requested Project Funding

Article 21: Appropriate to Community Preservation Fund

This article appropriates the estimated FY2024 CPA receipts.

Annual Reserve	\$1,749,706
Community Housing Reserve	\$ 955,633
Historic Resources Reserve	\$ 0
Open Space Reserve	\$ 477,817

Article 22: Appropriate to Community Preservation Fund Supplement

In November 2022 a supplemental payment of State matching funds was received by the Town. To achieve the appropriate 10% minimum contribution to the Historic Resources and Open Space reserve accounts, this article will appropriate an additional \$33,732 into the Historic Resources Reserve, \$33,732 into the Open Space Reserve, and \$67,464 to the Community Housing Reserve. The amount to the Community Housing Reserve is effectively double (20%) the minimum 10% requirement.

Article 23: Appropriate for NHA Seabeds Cook Preservation

The CPC voted to recommend for Town Meeting consideration \$241,052 for the funding of pre-development costs for work needed to preserve the properties located at Seabeds Way and Captain Robert Cook Drive. These properties provide deeply affordable housing to seniors, families, and the disabled. The funding source is CPA Free Cash.

Article 24: Appropriate for DeFazio Playground Design

The CPC voted to recommend for Town Meeting consideration \$35,000 for the funding of the design of a new "tot lot" at DeFazio. The design considerations will include the location, playground equipment, playground age groups, fencing, pathways, and amenities. The funding source is CPA Free Cash.

Conclusion

Needham is fortunate to have the use of CPA funds which have funded numerous successful projects for the community. Our appreciation is extended to the citizens of Needham and specifically Needham's Town Meeting members for their support. The Committee looks forward to FY2024 and new requests and interest from the residents of the community.

Peter Pingitore, Chair
Bob Dermody, Vice Chair
Joseph Barnes

Laura Dorfman
Reg Foster
Dina Hannigan

Dave Herer
Jeanne McKnight
Richard Zimbone