

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

**Report to Town Meeting – May 2024**

**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 FY2024 activities follows. Three applications were received in November of 2023. These applications were vetted and voted on by the CPC initially with respect to eligibility for funding under the CPA. The CPC also consulted with Town Counsel on the issue of initial eligibility under the CPA. The applications were then assigned liaisons who worked with the proponents to answer committee questions. In February, the CPC Co-Chairs met with the Select Board and the Finance Committee to consult on the proposals. A public hearing was held on March 13, 2024 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 assessed a 2% surcharge on annual property taxes, excluding the first \$100,000 of valuation, as a result of a town-wide vote to adopt the CPA. For FY2025 it is estimated that Needham will collect \$3,387,500 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 an annual distribution from the Massachusetts Community Preservation Trust Fund and to date, since adoption of the CPA, has received a total of \$12,812,014 from this fund. The most recent distribution in November 2023 was \$656,397, a 21.2% 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, beginning in FY2022 and continuing each year thereafter, the CPC recommended that 22% of the estimated receipts be appropriated to the Community Housing Reserve to hold aside funds for future housing needs. For FY2025, the CPC once again recommends the Community Housing Reserve be funded at 22% of estimated receipts.

As a result of previous appropriations, the reserve balances available for appropriation at the May 2024 Annual Town Meeting are as follows:

|                       |                                            |
|-----------------------|--------------------------------------------|
| Community Housing:    | \$ 3,649,749                               |
| Open Space:           | \$ 2,401,894                               |
| Historic Resources:   | \$ 106,669                                 |
| 2024 General Reserve: | \$ 1,749,706                               |
| <u>Free Cash:</u>     | <u>\$ 4,466,031</u>                        |
| <b>TOTAL:</b>         | <b>\$12,374,049</b> (as of April 23, 2024) |

The unspent 2024 General 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 2024 Annual Town Meeting from Free Cash, and a third project to be funded from a combination of Free Cash and the Community Housing Reserve. After subtracting the appropriations for these three projects, the CPA related debt service under the FY2025 General Fund Operating Budget, and accounting for the FY2025 appropriations under Article 24, the balances in the respective funds would be:

|                       |             |
|-----------------------|-------------|
| Community Housing:    | \$ 0        |
| Open Space:           | \$2,401,894 |
| Historic Resources:   | \$ 106,669  |
| 2025 General Reserve: | \$1,749,706 |

Please note the figures assume that \$82,000 has been appropriated for the FY2025 administrative expenses. ***It does not include the eventual CPA Free Cash that should be finalized in late calendar year 2024.***

### **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. In FY2024, the Committee hired a part-time Administrative Coordinator in lieu of a recording secretary, to better support the Committee's administrative needs. 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 For Needham High School Tennis Courts**

The CPC voted to recommend for Town Meeting consideration \$1,440,000 funding to replace the existing four asphalt tennis courts with eight new post-tension concrete tennis courts at Needham High School. Increasing the number of courts will enable matches with neighboring schools to be completed more efficiently and allow the High School to host tennis tournaments. Post-tension concrete is the new industry norm and requires less maintenance. The project also includes stormwater management, landscape improvements, fencing upgrades, and ADA accessible walkways. The funding source is CPA Free Cash. The entire article requests a total of \$2,600,000, with the remaining \$1,160,000 being funded through other Town sources.

#### **ARTICLE 22: Appropriate For Needham Housing Authority Linden Street Redevelopment**

The CPC voted to recommend for Town Meeting consideration \$5,500,000 funding for construction costs associated with the redevelopment of affordable public housing units located at Linden Street. At the Annual Town Meeting in May 2022, Town Meeting voted to give the Needham Housing Authority funding for pre-development costs for the Linden and Chambers properties. The current request is for construction costs related to the redevelopment of 72 existing, worn out Linden Street units, plus the creation of 64 new Linden Street units, for a total of 136 units. CPA funds are just one component of the overall financial strategy for this project which has an estimated total of approximately \$84 million. The remainder is being raised through

various non-Needham taxpayer sources. The funding source for the \$5,500,000 is a combination of CPA Free Cash (\$1,850,251) and the Community Housing Special Reserve (\$3,649,749).

**ARTICLE 23: Appropriate For DeFazio Complex Fencing**

The CPC voted to recommend for Town Meeting consideration \$417,000 funding to remove and replace fencing in and around the DeFazio Complex. The perimeter fencing, backstops, and player bench areas are showing signs of age and heavy use. These fields are subjected to high levels of traffic that have shortened the life cycle of fencing fabric and related structures. The existing fence posts will be evaluated for damage and will be reused if possible. The existing chain link fabric will be disposed of and replaced in kind. The funding source is CPA Free Cash.

**ARTICLE 24: Appropriate FY2025 CPA Reserves**

This article appropriates the estimated FY2025 CPA receipts.

|                                            |              |
|--------------------------------------------|--------------|
| Community Preservation Fund Annual Reserve | \$ 1,187,215 |
| Community Housing Reserve                  | \$ 872,545   |
| Historic Resources Reserve                 | \$ 0*        |
| Open Space Reserve                         | \$ 436,273   |

\*The debt service payable during FY2025 for previously appropriated historic resources projects (Town Hall and Emery Grover) is greater than the 11% reserve calculation. Therefore, no appropriation to the Historic Resources Reserve is necessary.

**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 FY2025 and new requests and interest from the residents of the community.

Joseph Barnes, Co-Chair  
Laura Dorfman, Co-Chair  
James Rosenbaum

Reginald C. Foster  
Jeanne McKnight  
Paul Dawson

Dave Herer  
Maureen Callahan  
Keith LaFace