

CPA Committee Meeting – Minutes
Thursday, May 16, 2019, 6:00PM
Ackerman Room, Cambridge City Hall, 2nd Floor
795 Massachusetts Ave., Cambridge, MA 02139

CPA Committee Members Present:

- Lisa Peterson, Deputy City Manager (Chair)
- David Kale, Asst. City Manager for Fiscal Affairs
- Kaki Martin, Conservation Commission
- Victoria Bergland, Cambridge Housing Authority
- Ellen Shachter, Resident

Staff Attendees:

- Taha Jennings, Acting Budget Director/Asst. to the City Manager
- John Nardone, Deputy Commissioner for Operations, Public Works
- Chris Cotter, Housing Director, Community Development
- Jennifer Mathews, Asst. to the City Manager

- ❖ Chair/Deputy City Manager Lisa Peterson called the meeting to order at 6:15 P.M. and asked members to introduce themselves.
- ❖ Chair Peterson stated this would be a relatively short meeting, focusing on organizing and confirming the schedule for the public hearings/meetings. Committee is starting the CPA process again for this year, and Chair Peterson will summarize that process since some people are new. David Kale will discuss the finances and some changes that may happen at the state level.
- ❖ Chair Peterson summarized CPA history and process:
 - Cambridge was an early adopter of the CPA in 2001, which allowed the city to dedicate additional funds to affordable housing, open space and historic preservation by imposing a 3% surcharge on property tax. In 2012, the CPA was expanded to allow funding for active recreation sites, where it used to only be passive open space.
 - In terms of process, the CPA requires a community to have at least two public hearings as it thinks about what it will do/fund each year. In Cambridge, the Committee does this by first having a public meeting to get project recommendations from staff and the public. The Committee then has a second meeting to hear how people, mostly the public, want to see the percentages of CPA funds allocated – since the city needs to have at least 10% allocated in each area.
- ❖ Chair Peterson stated that this year’s hearing schedule has been circulated by the City Manager’s staff, but the Committee will confirm the upcoming schedule as well:
 - Thursday, June 20, 2019 –Public Hearing on project recommendations. The meeting will be at City Hall, Sullivan Chamber, 6:00 P.M. This meeting will take project recommendations from the public and from city staff and could be a few hours long. This is a particularly important meeting, though all the meetings are important.

- ❖ CPC member Ellen Shachter stated that she will be unable to attend the June 20th meeting due to scheduling conflicts.
- ❖ Chair Peterson continued with schedule:
 - Wednesday, July 31, 2019 – Public Hearing on the allocation percentages. The meeting will be at City Hall, Sullivan Chamber, 6:00 P.M. Hopefully people already have this in their calendars.
 - Tuesday, September 17, 2019* (date corrected from *Thursday*, September 17, 2019; see discussion below) – this meeting will be in City Hall, Ackerman Room, 6:00 P.M. The Committee will make its votes on the allocation percentages during this meeting. Chair Peterson reminded the Committee that, for housing, the % the Committee votes to allocate will just go directly to the Affordable Housing Trust once approved. The Committee does not vote on specific affordable housing initiatives. But for historic preservation and open space, the Committee will vote both on the allocation % and specific projects. These recommendations will then go to the City Manager and City Council.
 - Monday, October 7, 2019 date, listed on agenda as date on which the Committee’s recommendations are presented to City Council, is incorrect. October 7th is a date on which the City Council may set the tax rate. Therefore, the CPA Committee’s recommendations will be presented to the City Council in September. The Committee will aim to present its recommendations to the City Council on Monday, September 23, 2019. Committee members are not required to attend that meeting but are encouraged to do so. The Council meeting will be at City Hall, Sullivan Chamber, 5:30 P.M.
- ❖ CPC member David Kale stated that meeting on *Thursday*, September 17, 2019 would not give the Committee enough time to get its recommendations on the Council agenda for a Monday, September 23, 2019 Council meeting. *Committee discussed and corrected day of the week to Tuesday, September 17, 2019. This gives the Committee time to place the CPA funding proposal before the Council for a vote prior to the Council voting to set the tax rate, as is required.
- ❖ Chair Peterson reiterated that Committee meetings are very important, and a full schedule/reminders will be emailed around to everyone. Tuesday, September 17th is the most important meeting for everyone to attend.
- ❖ Staff will be maintaining the CPA website and will start promoting the June 20th meeting right after the beginning of June. A project recommendation form will also be available online, through which members of the public can submit ideas. The form has been helpful in recent years, and it will remain online until the July 31st meeting. On July 31st, the Committee will close the form, talk about the allocation recommendations at the meeting and proceed from there.
- ❖ Chair Peterson stated that it’s most important for today that the Committee members are in agreement on the schedule. Members agreed/confirmed schedule.
- ❖ CPC member David Kale updated the committee on funding projections:
 - Based on local funds increasing \$500K, the City keeping the estimated state match at the same percentage as last year – because it is not guaranteed to increase – and a

\$2.1M fund balance, the City is estimating CPA funding at \$13,230,000, which is an increase over funding of \$12,730,000 from last year.

- For specific funding areas, assuming the allocation ratio is set at 80% funding to affordable housing, 10% to open space and 10% to historic preservation, 10% will be \$1,322,000. CPC members Victoria Bergland and Ellen Shachter double checked the numbers, and CPC member David Kale clarified that this will be the funding number because \$10,000 goes toward the City's membership dues for belonging to the state-wide Community Preservation Coalition.
 - If the state match increases at a later date – which may happen, given legislative developments at the state level – it will not affect the City until next year/the 2020 distribution.
- ❖ Chair Lisa Peterson asked CPC member David Kale to provide a little further explanation on the funding sources for CPA and how the state funding may change. David Kale stated that local money comes from the property tax surcharge, and the state funds come from recording fees for certain documents at Registries of Deeds. It's these recording fees that may be increased, if certain legislation is adopted at the state level, but Cambridge would not see additional funding from that until 2020. There may be surplus funds from the FY19 state budget dedicated to the Community Preservation Trust Fund, which may be part of the adjusted FY20 state budget, but the amount has yet to be agreed to and the money may not be available until after the City sets the tax rate.
- ❖ Staff person Jennifer Mathews updated CPC members on potential legislative changes in state budget:
- The House passed its budget at the end of April and included changes to increase Registry fees from \$20 to \$50 and from \$10 to \$25. Coalition estimates that the fee increases would add another \$36M to the Community Preservation Trust Fund. The House also included a fund transfer of FY19 surplus up to \$10M to the Community Preservation Trust Fund, which would be available as part of the FY20 state match distribution if approved as part of the FY20 adopted state budget.
 - These changes were not included in the Senate Ways & Means budget. However, two amendments have been filed that would add this funding in Senate: Senator Creem filed an amendment increasing the Registry fees, and she has gotten that same language into the Senate budget via amendment for the past two budgets; Senator Tarr filed an amendment requiring a fund transfer of FY19 surplus of \$20M to the Community Preservation Trust Fund. Senate budget language will be finalized next week. Any discrepancies between House and Senate language will have to be worked out in a budget conference committee, and likely won't be finalized until July 1, 2019.
- ❖ CPC member Victoria Bergland stated that she was aware of the potential legislative changes but has heard different numbers on how it will affect the state match percentage. Committee members confirmed understanding that the proposed \$36M increase would be to the state Community Preservation Trust Fund not to Cambridge's own Community Preservation Fund. Staff person Jennifer Mathews will update the Committee on outcomes from the Senate budget.

- ❖ Committee discussed funds for affordable housing initiatives, specifically. CPC member David Kale summarized the City Manager's proposed FY20 budget and its focus on affordable housing. The budget proposes an increase in revenue from building permit fees from 20 to 25% of that revenue, which is an increase of about \$1.25M over FY19. City Manager is also recommending an appropriation of \$5M from General Fund revenues to affordable housing, so it's about a \$6.3M increase from last year. Assuming that the CPA funding allocation adopted is 80/10/10% (housing/open space/historic), with the conservative state match estimate, you get over \$20M for affordable housing.
- ❖ Chair Peterson asked if anyone had further questions about the financials. CPC member Ellen Shachter asked if staff can circulate a summary of the explanation about additional non-CPA funds for affordable housing. Staff will do so.
- ❖ Chair Peterson confirmed there were no other questions about funding. In short – last year there was \$12,730,000 in CPA funding and this year there will be \$13,230,000 which is the \$500K increase from local funds.
- ❖ Chair Peterson discussed state matching funds. Cambridge has done well, even to get 30 or 40% is a pretty good match. Committee members will receive updates in future meetings on anticipated match.
- ❖ Chair Peterson opened the meeting for public comment:
 - Laura Jasinski, Executive Director of Charles River Conservancy, asked the Committee to clarify how the state match has changed. Chair Peterson and CPC member David Kale stated that the match % was higher originally and has gotten lower over time. As more communities adopt/join the CPA, there is only a singular pot of state funds and it gets distributed to more communities. For 6 or 7 years, Cambridge got a 100% match. Now the City is budgeting 11.5-12%.
 - James Williamson, Cambridge resident, asked about the \$10,000 dues the City pays to be a member of the Community Preservation Coalition – what is the nature of the organization? Chair Peterson and CPC member David Kale stated that the Community Preservation Coalition is a nonprofit community organization. It is a resource for the City to vet projects to make sure they can be funded, and the organization provides state level advocacy, etc. The City pays dues for the Coalition's expertise.
 - Ms. Jasinski asked how interested parties should provide feedback. Should they be meeting with Committee members one on one? Chair Peterson stated that the public hearings will be the best way for the Committee to circulate ideas to the public and get feedback; not private meetings. People will be able to submit project recommendations through the CPA Committee's website.
- ❖ CPC member David Kale moved to adjourn the meeting. Meeting adjourned at 6:40 P.M.