

Community Preservation Committee

July 27, 2006 - Meeting Minutes

Committee members present: George Bailey, Corey Snow, Arnold Cohen, Robert Young, Arnold Kublin, Peg Arguimbau. *Committee members absent:* Janet Sargent-Tracy. *Guests present:* (Massapoag Brook Neighborhood Association--MBNA) Lois Miller, 112 Glendale Rd; Mary Tobin, 120 Glendale Rd.; Michele Botaish, 12 Glenview Rd; Joanne Douglas, 12 Robs Lane; Steve and Jane Hyman, 3 Robs Lane.

The meeting started at 7:05 p.m. The minutes of June 22, 2006, were approved unanimously as amended. The Housing proposals, 002a and 002b, were renumbered to 002 and 003, respectively. Mr. Snow gave a Treasurer's report: The Town Accountant states that a total surcharge of \$317,290 was assessed, and \$310,950.06 has been collected.

The Committee then heard the Chair's report (see Attachment 1) and voted unanimously to accept it. A placeholder Town Meeting warrant article was sent to Selectmen for up to five funding questions (see Attachment 2). Mr. Bailey attended the Finance Committee meeting of July 24, 2006 (at the FinCom Chairman's invitation) to present information on CPA and proposals. One item FinCom wanted to know was whether the Housing Authority keeps a balance sheet. The answer, determined after that meeting, is yes--the Authority sends a budget review to the state DHCD every month. Ms. Arguimbau requested that Mr. Bailey inform Committee members in advance about bringing CPC matters to other committees so that CPC members could also attend if they so wish.

Mr. Bailey presented, and the Committee approved, a potential "Draft CPC Plan" based on his compilation of four existing Town plans--Open Space, Recreation, Historic Preservation, and Housing--which were reviewed. Mr. Young added "cemetery reclamation" to the existing Historic Preservation Plan that was distributed to the Committee. Nothing new was added to the Recreation Plan or the Housing Plan, although Mr. Bailey noted that Housing might be asked to prioritize in the future. The Open Space Plan of 1994 (updated 2005) will be used as the basis for that part of the Draft CPC Plan until the OS Plan is updated. Ms. Arguimbau stated that the updated OS Plan may list new parcels that were not in the 1994 plan. Mr. Young presented an approximate "40B Calculator" printout ("as of February 2005"), created by Eli Hauser, that included some current 40B applications and their expected affordable unit yields. The 40B Calculator omitted a number for Pine Woods (currently before ZBA) but included Brickstone, which is not a 40B. Mr. Young said that he, Jane Desberg, and Eli Hauser had recently conferred with the state DHCD to see if there was any way Brickstone could be persuaded to contribute to the Town's affordable housing total. He said the DHCD said the Town shouldn't even look at the Brickstone proposal unless it could settle the Town's affordable housing requirement. Mr. Cohen felt a detailed discussion of 40B was off-topic for this Committee. Mr. Bailey said that a CPC Plan showing Town priorities would be a guide to other Town committees and for the future. Ms. Arguimbau said there should be flexibility to consider projects that meet the purposes of CPA but that might not be in a CPC Plan.

The Committee next reviewed the "Criteria for Evaluating Sharon CP Fund Applications" suggested by Mr. Bailey. Criterion 2a. was changed to read "increasing the availability and/or preservation of affordable housing"; Criterion 4, to read "Housing Production Plan"; Criterion 6, to read "Historical Commission"; and Criterion 12, to read "Are matching funds provided by the applicant or by others?" The Committee voted unanimously to accept the Evaluation Criteria as amended. This checklist was then used to examine the five proposals.

Next, the proposals themselves were discussed, with regard to merits and eligibility. The Committee changed the order of its decision process from that decided at the June 22 meeting; it is now (1) discuss proposals, (2) public hearing, (3) take a position (with respect to funding requests), (4) Finance Committee review. Mr. Kublin said he had gone over the Housing proposals (#002 and #003) with Mr. Gladstone of the Sharon Standing Building Committee, who stated the prices were reasonable; the prices will be firm until November Town Meeting. Mr. Kublin said that one of the Hixson buildings whose roof would be repaired was a recreation building. In a discussion as to whether it was the state's responsibility to maintain Housing Authority buildings, he said again that the state was not forthcoming with funds except in emergencies.

Regarding the land purchase proposal (#004), Ms. Arguimbau said she had spoken with the developer; the price was \$1.3 million; the MBNA would raise the required funds over \$1 million. Mr. Young asked how this compared with price/acre of other public land purchases, and Mr. Cohen asked about an appraisal. He said the developer should not reap "windfall profits." Ms. Arguimbau responded that land was so valuable now that despite appraisals of fair market value, in the end the price was what the developer would accept. Ms. Mary Tobin asked why the Billings Street land was in the Housing Production Plan as contributing to 40Bs. Ms. Joanne Douglas and Ms. Jane Hyman mentioned the eruv (religious boundary marker) over the trail on this land. Ms. Arguimbau said the proposal came under both open space and recreation. Mr. Cohen pointed out that buying this land for open space would take it "off the 40B table." Mr. Bailey said it was not a "smart growth" project inasmuch as the land is not one-quarter mile from the train station. Mr. Young stated that the Housing Authority board had voted not to endorse any proposals that conflict with the Affordable Housing Production Plan. Mr. Kublin remarked that a large bond borrowing might tie up funds for other (e.g., housing) purposes in future years. Mr. Cohen asked, "Are townspeople going to get the use of this land?" and Mr. Bailey said users would be primarily abutters with no available access by the public. Ms. Cheyer said the proposal had indicated that if the land were purchased by the Town, it could be restored to connect neighborhoods and walking paths. With regard to Criterion 8, "Does the project conflict with any objectives in adopted Town plans?" this is the only proposal that came out with an unfavorable status. Ms. Arguimbau said, "The evaluation criteria should be considered flexible, not set in stone."

The Conservation Commission will work with the Conway School of Landscape Design on the Open Space Plan update (#005); a letter from Conway (dated July 6, 2006) was distributed to Committee members. Mr. Bailey reiterated that the Open Space Plan should be combined with the Recreation Plan for

a “broader document,” perhaps under guidance of an Open Space/Recreation Committee. Ms. Arguimbau said the OS Plan update would cost less than \$10,000. A note on the Conway letter gives an estimate of \$6,500.

The Playground (#006) proponent submitted a final quote of \$4,065 for two fountains, which will not hold until November Town Meeting, and a letter from the Commission on Disabilities stating that the fountains meet ADA requirements (see Attachment 4 - Correspondence). Therefore the warrant article should propose an "up to" amount 10 percent higher than the final quote. Mr. Bailey said he had heard that the fountain at Deborah Sampson Park was not broken and that this should be checked. Mr. Young said the Recreation Department and Recreation Board were in favor of installing the two new fountains in the present proposal. Fountains might be proposed in the future at Gavin’s Pond, Beechtree Park, and the Community Center.

The next meeting—an advertised public hearing--was scheduled for Tuesday, August 29, 7 p.m. In addition to an advertisement in the form of a legal notice [see Attachment 3], Ms. Cheyer will write a draft “brief” to publicize the public hearing and send it to the Committee, which will make comments to the CP officers, who will send final proposed advertisement to Ms. Cheyer for insertion in Sharon Advocate.

The meeting was adjourned at 10:10 p.m.

*Submitted by Alice Cheyer
Interim Secretary*

ATTACHMENT 1 - CHAIR’S REPORT FOR MEETING OF JULY 27, 2006

To: Community Preservation Committee

From: George Bailey

1. The Selectmen have received the Committee's request for a placeholder Town Meeting article for up to five funding requests.
2. The Finance Committee immediately followed up with an appointment Monday night to discuss the role of the Committee and the CPA. Opinions were offered on several of the funding requests: specifically the Housing Authority maintenance requests and the Glendale/Glenview parcels requested by the Massapoag Brook group. Question on the time when funds are invested and rate of return will be referred to Treasurer Corey.
3. The Finance Committee is comfortable with a schedule in which we firm up our request following the August meeting in conjunction with a public hearing.
4. The Officers (Treasurer Corey and Clerk Young) met earlier to discuss status of the Committee's program; the draft CP Plan (based on piecing together the available documents – the 1994 Open Space Plan draft with 2005 updates; the 2004 Recreation Plan; an informal draft of a Historic Preservation Plan; and the Housing Production Plan from the Planning Board Web site (to be sent separately). The draft evaluation questions (item 7 below) were found acceptable for presentation to the Committee.

5. We agreed the use of a public hearing to receive comment on our program will allow us to meet the need for due process. We must act at the 27 July meeting, hold the hearing at the August meeting to receive public comment, and act finally at the business portion of the August meeting.

6. Arrangements have been made to store Committee records on Town Property at the DPW (the only available file space – sadly Town Hall is overflowing).

7. Suggested Criteria for Evaluating Sharon CP fund applications:

1. Is it eligible for CP funds?
2. Does it meet the objectives of the CPA – increasing the availability [and/or preservation] of affordable housing; preserving and enhancing historic structures; increasing availability of open space; improving or enhancing recreational facilities.
3. Does the project address a need already identified by a Town planning document?
4. Does it meet a need in Housing Opportunity [Production] Plan?
5. Is it a project identified in the most recent Open Space Plan or Recreation Plan?
6. Has the project met the objectives of the Historic[al] Commission?
7. Is it a project identified in the Recreation Plan?
8. Does the project conflict with any objectives in adopted Town plans?
9. Does the project conflict with any CP goals?
10. Is the project within the 10% set-aside accumulated for Open Space, Affordable Housing, and Historic Preservation?
11. Is the cost estimate firm, or must it be negotiated? Who does negotiation?
12. Are matching funds provided by the applicant [or by others]?
13. Have related Town commissions evaluated the project and endorsed it?
14. If deemed eligible, are similar projects being funded by other CPCs?
15. Are the benefits quantifiable? Numbers of users, abutters, age groups.
16. How does the project stand when compared with projects in the same category (Open Space, Historic Preservation, Affordable Housing, Recreation) with respect to Town needs and priorities?

ATTACHMENT 2 - PLACEHOLDER WARRANT ARTICLE FOR NOVEMBER TOWN MEETING

To: Board of Selectmen

From: George Bailey, Chair

Community Preservation Committee

Subject: November Special Town Meeting - Request for Article

The CPC voted to request the Board to place an article on the warrant of the subject town meeting in anticipation of a request the Committee expects to make of the Town requesting approval for the expenditure of funds from the CP Fund. (The fund is expected to reach in excess of \$700,000 as of October 15, its first year.)

As of the deadline established for the submission of funding requests, we have received the following:

Project #001 Acquisition of parcels in the CBD. (Committee returned this for further information in accordance with its requirement for Project Submissions.)

- * Project #002 Sharon Housing Authority for \$12,000 Flooring Project, 21 So. Pleasant St
- * Project #003 (numbered 002b) Sharon Housing Authority for \$136,000 Roofing Project - Hixson Farm Road
- * Project #004 Massapoag Brook Neighborhood Association for \$1 million more or less - Acquisition of Whitman Homes parcel of 11 acres located between Glenview Road and Billings Street
- * Project #005 Sharon Conservation Commission for \$5,000 to \$30,000 - Open Space Plan Update
- * Project #006 New Friends of the Playground for \$5,000 - Two drinking fountains (Ames St Playground and Deborah Sampson Park)

For your information, we have found the two projects submitted by the Housing Authority to fit the objectives of the CPC and are completely priced and documented. Project #006 was similarly priced and documented, and falls within the portion of the fund that can be used for recreation facilities.

We are reviewing Project #005 for the possibility of updating the Recreation Plan as well so that the objectives of both recreation and conservation can be coordinated.

Project #004 is of a size that requires considerable research and must be weighed against other capital needs of the town. It would also require a vote to borrow and mandate the life of the CP fund to twenty years [see Bonding Issues, below].

ATTACHMENT 3 - LEGAL NOTICE

LEGAL NOTICE (Town Seal)

The Sharon Community Preservation Committee will hold a public hearing on Tuesday, August 29, 2006, 7 pm., Sharon Town Hall lower-level hearing room, to consider its recommendations for Special Town Meeting of November 2006.

As required by MGL Chapter 44B, the Community Preservation Fund may be used to preserve open space, recreational facilities, and historic sites, and to create and maintain affordable housing.

The following Project submissions to be reviewed have been determined to be eligible for Community Preservation funds:

1. Repair floors at family housing, South Pleasant St: \$12,000; submitted by Housing Authority
2. Repair roofs at Hixson Farm Road: \$136,600; submitted by Housing Authority
3. Purchase of an 11.2 acre open space parcel between Glenview/Glendale Roads and Billings Street: \$1,000,000 requested from Community Preservation funds (20-year bond borrowing); estimated total cost: \$1,340,000; submitted by Massapoag Brook Neighborhood Association
4. Update of the Town's Open Space and Recreation Plan: approximately \$10,000; submitted by Conservation Commission
5. Purchase of ADA-compliant drinking water fountains for Ames Street Playground and Deborah Sampson Park: \$4,800; submitted by New Friends of the Playground

Upon receipt of state match on or before October 15, 2006, the Sharon Community Preservation fund is expected to total approximately \$622,000. Unexpended funds are banked in a town trust fund and reserved; at least 10% of annual revenues must be appropriated or reserved for later appropriation for each of the following: open space

(excluding recreational uses); historic resources; and community housing.

Committee Guidelines for Project Submissions, and a summary of the Town's current open space, historic preservation, housing, and recreation plans, are available for review at the Town Clerk's Office, the Sharon Public Library, and the Town Web site at:

http://www.townofsharon.net/Public_Documents/SharonMA_BComm/preservation

Community Preservation Committee
George Bailey, Chairman
Robert Young, Clerk
Corey Snow, Treasurer

Margaret Arguimbau
Arnold Cohen
Arnold Kublin
Janet Sargent-Tracy

ATTACHMENT 4 - CORRESPONDENCE

E-mail, 7/12/06, from Steve Savrann to CPC, Playground Fountain, Final Quotation

I just received the "Official Quote" from most dependable based on our design changes and actual freight charges to Sharon, MA. Do you have a fax number or I can mail you their quote for the 2 water fountains.

The breakdown is as follows:

Playground Fountain - \$1425 #840 SM-01 draining to gravel bed underground (2 Arms) Blue

	\$385 Jug Filler (push button with auto shut-off)
2 Arm	\$250 Custom Job (height,angles of arms,loc. of jugg filler)
	\$247.50 Freight 50% of total-\$495 if shipped w/2nd fountain

	\$2307.50 del

Deborah Sampson

Green	\$1125 #810 SM-02 draining to surface drain (SM-01 no extra)
1 Arm	\$385 Jugg Filler
	\$247.50 Freight (50% of \$495 charge for both)

	\$1757.50 del

Total cost \$4065 del
prices subject to change
installation expenses will be responsibility of NFP, Rec Dept. SYBSA and DPW.

Contact to be made with Council on Disabilities president to confirm design meets ADA now that we have firm quote and drawing.

Stephen Savrann, President NFP

E-mail, July 14, 2006, from Sidney Rosenthal to Corey Snow, Playground Fountain

I have discussed the proposed water fountain for the Ames Street Playground with Steve Savrann and have also seen the item on the manufacturer's web site.

In my opinion it meets the requirements of the ADA as well as those of 521 CMR, the rules and regulations of the Commonwealth Architectural Access Board.

Please let me know if the Commission can be of further assistance.

Dr. Sidney J. Rosenthal, Chair
Commission on Disability
Town of Sharon

E-mail, August 1, 2006, Corey Snow to CPC, Playground Fountain

Getting more info on the state of the Deborah Sampson water fountain was an action item for me from our last meeting.

According to Steve Savrann (via Mike Polimer from the Baseball/Softball association): The fountain leaks, and the cost of repairs were judged to be too extensive (and expensive) relative to the value of the unit. The new proposed fountains only have one moving part, which costs just \$45 to replace.

E-mail, July 26, 2006, George Bailey to Jane Desberg, Housing Authority Units

Subject: Questions on CPA Applications

The FinCom as well as others have raised the question of eligibility and appropriateness of using Town CPA funds for what is essentially a state responsibility.

My reading of the May 2004 Community Preservation Coalition's document "Potential Uses of CPA Funds," page 9, third bullet, says "assist the local housing authority to support its low income rental properties." On the other hand, however, these funds do not seem to add to the inventory or availability of affordable or low-income housing, etc.

I am attaching a set of questions that the officers have endorsed for consideration by the Committee at its next meeting (Thursday at 7 p.m.).

Because you also represent (in my mind at least) the Housing Partnership, you must also realize that funds that might be used for Housing Partnership projects will be usurped by this expenditure, which will not be returned by the state (DHCD).

If you would comment, it would be useful for us in dealing with this dilemma.

E-mail, July 27, 2006, Jane Desberg to George Bailey, Housing Authority Units

Subject: Questions on CPA Applications

Thank you for your inquiry. I do want to respond by saying that capital improvements are given priority for CPC funds by the Community Preservation Coalition. Preserving housing stock is just as important as creating new housing. "The Potential Uses of CPA Funds" - Community Preservation Coalition - May 2004, states on page 9, "Assist the local housing authority to support its low income rental properties." As always, thank you for your continued support.

E-mail Corey Snow to CPC, June 23, 2006, Bonding

Thought it might be of general interest that CPA funds for debt service repayment must be explicitly appropriated annually by Town Meeting.

From: <http://www.communitypreservation.org/QandA.cfm>

Question:

We have bonded \$500,000 over 5 years. How do other communities appropriate the expenditure each year for the annual amount of the bond repayment?

ANSWER:

Like any other expenditure of CPA funds, there must be an annual vote to use CPA funds to pay the debt service on outstanding bonds that were issued under the CPA. Note that bonds issued under the authority of the CPA are general obligation bonds meaning that they could be paid with any revenue source and not just with CPA funds. For this reason, you need to specifically show through a Town Meeting or City Council vote that the community wishes to use CPA funds for the debt service payment.

E-mail, June 23, 2006, Corey Snow to CPC, Bonding

I did a quick "back of the napkin" calculation for CPA bonding capacity.

These numbers are not precise, but they give a rough idea of how much can potentially be borrowed, and how much borrowing capacity would remain if a \$1 million Open Space bond were issued. I may refine it if I get more precise data.

CPA Bonding Capacity Calculation (approximate)

Note: CPC administrative funds not included in calculations for simplicity

Revenues

Town Revenues from CPA Surcharge	311,000
Dedicated Housing (31,000)	
Dedicated Historic (31,000)	
Dedicated Open Space (31,000)	
Total "Multi-purpose" (or Recreation) funds	218,000

Max "Single Purpose" funds available

Multi-purpose (or recreation) funds	218,000
Single-purpose funds	31,000
Total funds available to pay any single purpose bond (not recreation)	

249,000

Bond payment @ 5% (per Town Treasurer) is approximately 100,000 per Million for a 20 year bond (1st year)

IMPORTANT: Note that these calculations are based on the approximate 1ST YEAR payments. Town bonds do not have a straight amortization schedule with fixed payments for the life of the loan (like a typical mortgage). Payments decrease as the loan term progresses. Therefore bonding capacity will "recover" over time to some extent.

Max Bonding Capacity		
Total Recreation-only Bonding Capacity	2,180,000	
Total Single Purpose Bonding Capacity (not recreation)		2,490,000
Total Dual Purpose Bonding Capacity	2,800,000	
Total Triple Purpose Bonding Capacity	3,110,000	

...Now assume approval of 1 Million for Open Space Purchase

Calculate Remaining Bonding Capacity

Remaining Town CPA revenue		
Starting Revenue	311,000	
Used Revenue	(100,000)	
Remaining revenue	211,000	

Remaining Max Bonding Capacity		
Total Recreation only	1,180,000	
Total Open Space(dedicated funds depleted)		1,180,000
Total Other Single Purpose	1,490,000	
Total Other Dual Purpose	1,800,000	
Total Triple Purpose	2,110,000	

Alice Cheyer to CPC, July 27, 2006, CPA Bonding Issues in Event of Opt-Out

At the June 22 CPC meeting, in connection with a proposal requiring a 20-year bond borrowing, a question arose whether having to make bond repayments precluded the town's opting out of CPA before the 20-year period. Coalition Web site and correspondence yields the following.

If Town opts out after five years,

- * The surcharge continues, not for 15 more years but for ~3.5 years (see table at end), until the bond is repaid.
- * Committee stops recommending new projects.
- * 10% set-asides stop. All incoming CP funds are used to repay bond. *(Likely; Town Counsel to interp.)*
- * State match stops. Bond is repaid with Town portion only. *(Likely; Town Counsel to interp.)*

The Coalition director reports, "It [opt-out] has never happened before in the history of the CPA."
"This has not occurred yet and hasn't been tested. In fact, perhaps no one has even thought of this scenario yet."

**CPA Repayment of a \$1 million, 20-Year Bond
in Event of Opt-Out**

Each year, Years 6–9, use entire Town funds, \$310,000 annually, to pay off bond. This assumes that \$310,000 is constant; it will likely increase, given many new houses and tax bills.

Already paid Years 1-5	Principal 250,000	Interest 218,750	Total \$468,750	Remain to Pay
Remain to Pay	750,000	281,250	1,031,250 -->	1,031,250
Opt-Out				
Year 6	- 310,000			721,250
Year 7	- 310,000			411,250
Year 8	- 310,000			101,250
Year 9	-101,250			0

Sources

Surcharge Revocation

If a community revokes its acceptance of the Community Preservation Act, all outstanding obligations, including future debt service payments and deficits, that are to be financed from Community Preservation Fund revenues must be identified and a determination made whether there are sufficient uncommitted monies available within the fund to meet those obligations.

If so, the assessment of the surcharge in future fiscal years will cease. ... If not, the surcharge should continue to be assessed until sufficient funds become available to pay the remaining obligations. ...the community should not undertake new obligations that cannot be funded by community preservation revenues unless it is prepared to use other municipal financing sources.

www.communitypreservation.org

In case of opt-out,

- Any undesignated funds still sitting in the CPA kitty would be applied against the bond.

- The surcharge would continue to be assessed, but the incoming revenue (and any past state matches still due) would be applied to the bond. Since you're putting essentially everything against the bond, you would be paying it off much more rapidly than the initial term. Once the bond was paid off, the surcharge would end.

There are probably some fine points that are subject to debate because **it has never happened before in the history of the CPA.**

For example, if you had money sitting in a housing or historic reserve account when TM opted out of the CPA, and the outstanding bond was for open space, could you apply that unused reserve money to the bond? I don't know the answer to that, and there may not be a clear answer. I would urge you to contact your bond counsel **if you need that level of detail** decided now. *Stuart Saginor, Executive Director, Community Preservation Coalition*

The act does not address the specific question you are asking about the 10% set asides. I can see both sides of the issue:

(a) Since the surcharge is continuing, and the act says you have to set aside 10% of anticipated revenues in each of the three areas, perhaps the 10% set asides would have to continue.

(b) But, as you stated, since you've technically de-adopted the act, perhaps that requirement is no longer valid. I could see an argument where every provision of the CPA is now null and void, and all that happens is the treasurer/tax collector continues to collect the money until the bond is paid off. **This has not occurred yet and hasn't been tested. In fact, perhaps no one has even thought of this scenario yet.**

Stuart Saginor, Executive Director, Community Preservation Coalition