

City of Malden, Massachusetts FY17 & FY18 Community Preservation Plan

Introduction

With the passage of the Community Preservation Act (CPA) in November 2015, the City of Malden joined 159 other communities in the Commonwealth of Massachusetts that have a steady funding source dedicated to preserving and improving their city and quality of life. Membership in the Malden Community Preservation Committee (CPC) is comprised of citizens from the eight Wards of the city in order to ensure that the various sections of the city and their interests receive due consideration.

The CPA is a Massachusetts state law (MGL Ch. 44B) that enables adopting communities to create a dedicated fund for 4 focus areas:

1. preserving open space,
2. enhancing and expanding outdoor recreation opportunities,
3. preserving historic resources,
4. preserving and expanding community/affordable housing.

With the adoption of the CPA, Malden is presented with an exceptional opportunity to take the next step into its thriving future.

The Community Preservation Committee

1. The Community Preservation Committee (CPC) will oversee the implementation of the CPA in Malden. The CPC will be responsible for establishing priorities for how CPA funding should be spent and, based on those priorities, will make recommendations to the City Council and Mayor on projects to receive CPA funding.
2. The CPC is required to study the “needs, possibilities, and resources” for community preservation and will be a catalyst for projects, not an initiator. The CPC will also make efforts to communicate its mission and goals to the general public and consider all parts of the city in the project submission process.

The Community Preservation Plan

The Community Preservation Plan will establish the CPC’s priorities for funding projects by evaluating data collected at future Open Forums and by reviewing Malden’s City Planning documents such as the 2010 Open Space and Recreational Plan and Blueprint for Action and other studies currently in progress.

This plan has four sections:

- Section 1: Discusses the revenue sources for the CPA, estimated funds available in the fiscal years 2017-2018 (FY17 & FY18) funding cycles, and the CPC’s allocation of this funding across the focus areas.
- Section 2: Discusses the types of projects that are eligible to receive CPA funding.
- Section 3: Establishes general priorities for funding all CPA projects.
- Section 4: Establishes priorities within each CPA focus area.

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Section 1. Community Preservation Act Funding

Key Sources of CPA Revenue

Three key sources fund Malden's CPA:

1. From residents - via a 1% surcharge on local property taxes. The CPA legislation directs communities to assume their surcharge revenue in the current fiscal year will be the same as in the previous fiscal year.
2. From the City (Optional) - Because Malden adopted a "blended CPA," the City may decide, at its will, to appropriate additional municipal revenue into its Community Preservation Fund, up to a total amount equivalent to a 3% surcharge.
 - a. This appropriation needs to be officially designated and added to the local CPA Fund by the city by the end of the fiscal year (June 30) in order to be included in the current FY funding.
 - b. Given that distributions from the State match the City's total local CPA revenues, this appropriation represents a valuable opportunity to leverage additional state resources to invest in the four CPA focus areas.
3. From the Commonwealth of Massachusetts – via distributions from its Community Preservation Trust Fund.
 - a. This match varies annually, depending upon the amount of revenue received by the statewide Community Preservation Trust Fund in any given year.
 - b. The match is on all funds, with a bonus match typically provided for communities which collect the total equivalent of a 3% surcharge.
 - c. This amount varies each year based on the amount of revenue in the state's Community Preservation Trust Fund at the time grants are distributed in November. The CPC estimates receiving between \$313,000 and \$626,000 in revenue for FY18. See Table 1 for FY17 and FY18 budget.

Estimated Revenue Available in FY17 Funding Cycle (Table 1)

The City began collecting CPA revenue in fiscal year 2017 (FY17), which began on July 1, 2016. FY18 is the first year that CPA funds will be granted to projects.

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Table 1. FY17 and FY18 CPA Budget, as of 8/22/17

TOTAL CPA FUNDING: CPA FUND	FY17	FY18	FY18 Budget
Estimated FY17 Rollover	\$600,000	n/a	\$600,000
Estimated FY18 Revenue	n/a	\$720,000	\$720,000
TOTAL	\$600,000	\$720,000	\$1,320,000
TOTAL APPROPRIATIONS & RESERVES			
Administrative & Operating Expenses (5%)	n/a	\$0	\$0
Open Space Reserve (10%)	\$60,000	\$72,000	\$132,000
Historic Resources Reserve (10%)	\$60,000	\$72,000	\$132,000
Community Housing Reserve (10%)	\$60,000	\$72,000	\$132,000
Budgeted Reserve (70%)	\$420,000	\$504,000	\$924,000
TOTAL	\$600,000	\$720,000	\$1,320,000

Allocation of CPA Revenue in Funding Cycle

Each year, the CPC will make recommendations to the City Council for funding Community Preservation acquisitions and initiatives. The CPC may propose appropriations or reservations from fund financing sources for specific projects or categories of projects. These recommendations should be included in the annual CPC budget presented as part of the City’s annual budget process, which is separate from the City budget. The CPC budget will include the CPC’s revenue projections for the fiscal year and identify all expenditures the CPC proposes funding with Community Preservation Fund financing sources. In addition to appropriations and recommendations for projects or categories of projects, the budget will include committee administrative and operating expenses, debt service, and any other existing or ongoing obligations. The CPC budget shall account for the commitment of funds for these expenditures.

Additional Recommendations: Throughout the year, the CPC may make additional recommendations on acquisitions and initiatives to the extent funds are available to support them.

City Council Action on Recommendations: The City Council may make appropriations from or reservations of community preservation funds in the amount recommended by the CPC or it may reduce or reject any recommended amount. It may also decide to reserve all or part of the annual revenues recommended for appropriation for specific acquisitions or initiatives for later appropriation by allocating them to the reserve for that category of expenditures. The City Council may not increase any recommended appropriation or reservation. In addition, the City Council may not appropriate or reserve any fund monies on its own initiative without a prior recommendation by the CPC.

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In deciding how to allocate CPA revenue, the following factors will be considered by the CPC:

1. Malden CPA ordinance requires the CPC to spend or reserve at least 10% of annual CPA revenues for each of the following focus areas:
 - a. open space and recreational land
 - b. historic resources
 - c. community and affordable housing
2. The CPC will make best efforts to ensure that the needs of the community as a whole, in all its various geographic areas, are addressed in a fair and equitable manner through the Ward and committee representatives.
3. The Malden CPA ordinance allows the CPC to spend up to 5% of annual CPA revenue on the administrative and operating expenses of the CPC.¹
4. The CPA enabling legislation and the local ordinance do not require the Malden CPC to spend all CPA revenue available each year and therefore the CPC is permitted to retain revenue to spend on future projects or for potentially larger/more costly projects down the road.

Pending the updated versions of Malden’s City Planning documents, the following percentages will be appropriately allocated to the focus areas as designated in Table 2 to allow maximum flexibility for allocation in FY18. These percentages are subject to reallocation in the coming years based upon the future goals of the City.

Table 2. Allocation of Malden CPA Revenue in FY18

Use	Percent of CPA Revenue
Open Space and Recreational Land reserve or projects	10%
Historic Resources reserve or projects	10%
Community Housing reserve or projects	10%
Flexible funds for projects in any focus area in FY18 or future years	65%
CPC administrative and operating expenses	5%
Total	100%

Borrowing

The CPA legislation allows communities to leverage their CPA revenue by borrowing for eligible projects and using future CPA revenue to pay the resulting debt service. As such, applicants may apply for funding beyond the amount of revenue currently available. Note that bonded projects require the approval of two-thirds of the quorum.

¹ Such expenses may include, but are not limited to, hiring support staff, site surveys, environmental assessments, historic or housing consultants, architectural and engineering peer review, permit processing fees, construction consultants, financing consultants, legal and accounting fees, and similar costs associated with and incidental to the development of a CPA project.

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Section 2. Allowable Projects

While this plan establishes a guideline for the CPC’s priorities for the types of projects that should be recommended for CPA funding, CPA legislation ultimately defines the types of projects that are eligible to receive funding and must be adhered to.

Projects seeking CPA funding that do not fit within one (or more) of the allowable uses outlined in Table 3 below cannot be considered by the CPC. In addition, CPA legislation is clear that funds cannot be used for maintenance or to supplant current spending. CPC will only provide funding for projects and will not be expected to act as developer.

All recommendations and proposals submitted by the CPC to the Mayor and City Council will include anticipated costs. No appropriation will be made from the fund without City Council approval.

Table 3. Community Preservation Act Funding Allowable Uses

	Open Space	Recreational Land	Historic Resources	Community Housing
	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.	Land for active or passive recreational use including, but not limited to, the use of land for community gardens, trails, and noncommercial youth and adult sports, and the use of land as a park, playground, or athletic field. Does not include horse or dog racing or the use of land for a stadium, gymnasium, or similar structure.	Building, structure, vessel, real property, document, or artifact listed on the state register of historic places or determined by the Malden Historical Commission to be significant in the history, archaeology, architecture, or culture of the city or town.	Housing for low and moderate income individuals or families, including low or moderate income seniors. Moderate income is less than 100% and low income is less than 80% of US HUD Area Wide Median Income.
Acquisition Obtain property interest by gift, purchase, devise, grant, rental, rental purchase, lease, or otherwise. Only includes eminent domain taking as provided by G.L. c 448.	YES	YES	YES	YES
Creation To bring into being or cause to exist. Seideman v. City of Newton, 452 Mass. 472 (2008).	YES	YES	NO	YES
Preservation Protect personal or real property from injury, harm, or destruction.	YES	YES	YES	YES
Support 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 entity that owns, operates, or manages such housing, for the purpose of making housing affordable.	NO	NO	NO	YES , includes funding for Affordable Housing Trust Fund
Rehabilitation and Restoration Make capital improvements or extraordinary repairs to make assets functional for intended use, including improvements to comply with federal, state, or local building or access codes or federal standards for rehabilitation of historic properties.	YES , if acquired or created with CPA funds	YES	YES	YES , if acquired or created with CPA funds

Section 3. General Priorities

The CPC will prioritize projects that:

1. Are consistent with the community's values, which includes projects that:
 - a. Improve accessibility for all members of the community.
 - b. Incorporate sustainable practices and design. This includes, but is not limited to:
 - i. protecting natural resources,
 - ii. cleaning up contaminated land,
 - iii. revitalizing and reusing existing buildings and structures,
 - iv. using reusable and sustainable materials,
 - v. using renewable energy sources, achieving high standards of energy efficiency,
 - vi. expanding permeable surfaces, and,
 - vii. increasing trees and vegetation, particularly native perennial and drought-resistant species.
 - c. Receive endorsement from other Malden boards, commissions, departments, or community groups or from city, state, or federal officials.
 - d. Are consistent with the goals and priorities established in other current planning documents, but not explicitly addressed in this plan.
 - e. Creatively and coherently address two or more of the CPA focus areas (i.e., blended projects). Wherever possible, projects seeking CPA funding should include multiple uses and demonstrate how these uses meet community need.
2. Use CPA funding strategically, which includes projects that:
 - a. Leverage other funds, grants or in-kind contributions and/or implement cost-saving measures.
 - b. Address long-standing or urgent needs in the community.
 - c. Take advantage of exceptional, time-sensitive opportunities.
 - d. Could serve as catalysts for transformative change.
 - e. Promote cooperation with neighboring municipalities.

Section 4. Priorities within CPA Focus Areas

The CPC priorities, per Malden's Blueprint for Action, Malden's Open Space and Recreational Plan, and the Malden Historical Commission's Inventory of Historical Resources, will be guided and updated according to the pending results of current City Planning documents.

4.1 Open Space and Land for Recreational Use

The term open space is commonly used to describe all of a city's green space and land for active and passive recreation, including all of its parks, playgrounds, and fields. The CPA legislation, however, has two terms to describe this land: recreational land, which includes active and passive recreation, and open space. The distinction between the two in the CPA legislation is somewhat confusing, as open space is defined to include land for recreational use, in addition to

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natural habitat land, but open space and land for recreational use have different allowable uses (see Table 3 above).

In Malden, land for active or passive recreational use accounts for a majority of the City's open space, including all of its parks, playgrounds, and ballfields. However the amount of open space in Malden protected in perpetuity is 154 acres, or 4.8% percent of the total area. This is the second-lowest amongst our neighboring communities (Somerville being lowest). A very small amount of designated open space in the City is not recreational land, and includes the wetlands and shores of the Malden River and Fellsmere Pond. The CPC will therefore combine the focus areas of open space and land for recreational use and create one set of priorities for them.

Priorities

1. Coordination of an open space and recreation system to provide recreational and cultural programs to all.
2. Creation of new and enhancement of existing recreational facilities.
3. Coordination of open space with the historical and cultural resources of the city.
4. Increase environmental awareness and education.
5. Enhance Malden's visual image and promote cooperation between city departments and other jurisdictions.

The CPC will encourage citizen involvement in presenting the following projects:

1. The acquisition of land for, and creation of, new publicly-accessible open space and recreational land to benefit current and future generations. This may include acquiring development rights and encouraging a balance between development and open space.
2. The expansion of access to, and the use of, the Malden River and the existing Bike Path. Malden has two miles of shoreline and approximately three miles of a developing multi-city bike path, both of which provide opportunities for walking, biking, and boating, among other recreational activities.
3. The improvement of the health of the wetlands and shores of the City's water resources, including the provision of stormwater runoff, storage, and erosion controls.
4. The rehabilitation and restoration of existing land for recreational use, especially those deemed most in need. This includes the rehabilitation of existing fields, parks, and playgrounds. Projects may also seek to add informational plaques; for example, interpretive signage that introduces the city residents and guests to the history of our parks and their notable benefactors, architects, etc.
5. The preservation and enhancement of land that features or abuts scenic views.
6. The use of railway and other corridors to create safe and healthful non-motorized transportation opportunities.
7. The expansion of urban agriculture and dog park opportunities. Residents have expressed great interest in adding to the city's inventory of community garden plots and dedicated dog parks.
8. The continued development of Malden as a green or sustainable community and the reduction of our environmental impact. Projects will be reviewed to minimize the

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environmental impact of the projects themselves and their implementation and may include litter and recycling receptacles, water-bottle refill stations, etc.

4.2 Historic Resources

The CPC will review historic resource projects that address crucial, longstanding needs among Malden’s historic landmarks and properties, especially those at risk, as designated by the Malden Historical Commission, while embodying the general priorities established in Section 3 above and complying with the U.S. Secretary of the Interior’s Standards for Rehabilitation.

Malden is one of the oldest cities in the USA, founded in 1630 and incorporated in 1649. Maldonian Freeman Tilden, world known author of the Theory of Historical Preservation, formulated the principles of Historical Heritage, which describes how significant historic buildings and objects should be protected, preserved, and rehabilitated.

Priorities

1. The preservation, rehabilitation, and repair of historical buildings or monuments. This may include historic buildings and monuments that are in critical condition or in danger of being lost or destroyed due to a lack of resources or maintenance.
2. The protection through acquisition of threatened historic buildings or monuments. This may include resources that are listed on the State or National Register of Historic Places, or those located in a Historic District.
3. The development of historical resources that showcase Malden’s history to the largest possible audience, including residents of Malden and beyond. This may include historical resources such as homes where famous Maldonians lived.
4. The preservation and display of Malden’s historic records and artifacts. This may include projects that inventory, collect, copy, preserve, and digitize historical documents or historical artifacts.

4.3 Community Housing

According to CPA legislation, the term community housing refers to housing for individuals and families with incomes below 100% of area median income (AMI). This plan uses the terms community housing and affordable housing interchangeably.

According to Malden’s Blueprint for Action, Malden was projected to see a 4% increase in the number of households between 2010 and 2020 and approximately a 10% increase by 2030. In order to keep up with the growing population, the City of Malden will need to see greater housing production and more affordable housing units developed throughout the city. Preserving existing affordable housing units will be important as Malden faces development pressures and begins to introduce more market rate residential units. Working with owners of units that are due to expire will be a particularly important strategy for preserving affordability downtown.

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Priorities

1. Provide for affordability in perpetuity as required by the CPA.
 - a. Housing created, acquired, or rehabilitated with CPA funds must always serve individuals who meet the income limits.
 - b. A permanent deed restriction on these units will guarantee that they remain affordable into perpetuity, thereby ensuring that the City's affordable housing stock will remain robust over time.
2. Preserve expiring-use units.
 - a. Extending the affordability of these units into perpetuity will prevent displacement of existing residents and serve as a cost-effective strategy for maintaining affordable units in Malden.
 - b. As of the writing of this Plan, Malden has 2,556 affordable housing units, and of those, more than 1,000 have affordability that will expire in the near future.
3. Support mixed-use and transit-oriented development. Research shows that housing located within walking distance of jobs, services, and public transportation should be more affordable than housing that requires individuals to drive.
4. Provide housing that is harmonious in design and scale with the surrounding community.
5. Intermingle affordable and market rate housing at levels that exceed state requirements for percentage of affordable units.
6. Promote use of existing buildings or construction on previously developed or City-owned sites.
7. Prevent homelessness and/or provide housing units or other support for homeless and formerly homeless households. Due to the increase of homeless population over the past several years, especially among the chronically homeless and veterans, the CPC will encourage projects and programs that support these households.

Note of Thanks: Thanks goes to the Cities of Somerville, Canton, Acton, Gloucester, Plympton, and Lexington. Their CPC Plans were guides for the structure and format of Malden's Community Preservation Plan.