

Project Monitor Policy for Non-Municipal Projects

This policy is intended to assist the Community Preservation Committee (CPC) in determining whether an independent consultant to monitor construction progress and expenditures is necessary on non-municipal Community Preservation Act (CPA) projects. Its purpose is to assist the CPC and the applicant in providing a clear and concise path to project completion.

In order to ensure that non-municipal CPA projects are expeditiously and efficiently managed, the Community Preservation Committee (CPC) hereby establishes this policy for having the project proponent hire an independent consultant to serve as Project Liaison, Lender Advisor¹, or in a similar capacity, whose role vis-à-vis the CPC is to report periodically on the project's status with regard to construction progress and CPA-eligible expenditures, as required or requested by the committee.

Massachusetts General Law² prescribes that publicly funded construction projects over \$1.5 million hire an independent third party as Owner's Project Manager (OPM), in order to ensure that such projects are carried out expeditiously and efficiently, and in the best interest of the public³. Most CPA-funded projects are smaller than that, or do not involve construction if they are on that scale⁴. **It is therefore established that, for non-municipal projects with greater than \$500,000 in CPA-funded construction costs⁵, the applicant shall hire a third-party consultant to fulfill this role and be responsible for the costs involved, unless specifically exempted from this requirement in writing by the CPC.** The cost of said consultant may be included in the request for CPA funds as a CPA-eligible project expense, provided it is calculated to be no greater than the proportionate construction expenses for the CPA-eligible portion of the project⁶. For example, if CPA-related construction expenses are 60% of the total project cost, then no more than 60% of the consultant's cost may be deemed eligible for CPA fund reimbursement.

¹ On projects involving borrowing from outside sources, hiring a Lender Advisor is a common practice.

² MGL Ch. 149, s. 44A½

³ Non-municipal CPA projects fitting the parameters would fall under this provision in addition to the CPC policy stated in this document.

⁴ To date, there have not been any CPA-funded projects over \$1,500,000. However, there were two at exactly that amount. One was not for construction; the other was canceled prior to its implementation.

⁵ For the purposes of this policy, construction costs are exclusive of the cost of an OPM, PL, LA or person operating in a similar capacity, also referred to herein as "consultant".

⁶ Consistent with the above, the cost of the consultant shall not be included in that calculation.

Under this policy, there would be a person who would serve as a control point to monitor the progress of the project, and be responsible for providing periodic updates to the CPC as required or requested.

Approved by the Community Preservation Committee, February 5, 2025.

A handwritten signature in black ink that reads "Michael Barrett".

Michael Barrett, CPC Chair