

INVESTING IN OUR FUTURE

True or False

The Community Preservation Act enables Massachusetts communities to create a dedicated fund for outdoor recreation, open space, historic preservation and affordable housing for local families. Cities and towns that adopt the Community Preservation Act (CPA) are eligible to receive annual distributions from the statewide Community Preservation Trust Fund, created by the Act; since 2001, the state has distributed approximately \$470 million to CPA communities for use on their local CPA projects. CPA has been adopted by 155 communities since 2001, including Fall River, Dartmouth, Westport, Fairhaven and Acushnet.

#1 True or False: CPA will take away from our ability to support schools and safety.

False. CPA funds are accounted for separately, and can free up funding for other important community priorities. Under CPA, New Bedford would raise over \$1 million for CPA projects every year, including an annual distribution of funds from the state's Community Preservation Trust Fund. These additional funds dedicated to local recreation, affordable housing, historic rehabilitation, and open space projects, will free up existing funding for other city priorities such as schools and safety.

#2 True or False: Everyone will pay a 1.5% increase in property taxes.

False. The proposed 1.5% surcharge will be calculated on a homeowner's assessed property value after exempting the first \$100,000 of residential property value. Low income families, senior homeowners will be eligible for a full exemption from the surcharge Commercial and industrial property owners would also enjoy an exemption for the first \$100,000 of their commercial or industrial property's value.

#3 True or False: State CPA match funds come from a dedicated revenue stream.

True. The statewide Community Preservation Trust Fund's revenues are derived from document recording fees charged at the Registries of Deeds. Recently, state legislators have been directing state budget surplus funds to the Trust Fund in order to provide for more robust annual matches for CPA communities. Last year, an additional \$25 million in state budget surplus funds allowed for a minimum match rate of 52% for all CPA communities. All 155 CPA communities receive these annual matching funds, which New Bedford has been missing.

#4 True or False: Investments in CPA bring in nonprofit, state and federal dollars.

True. CPA funds leverage additional nonprofit, government, and private dollars for local projects that help the area's economy. CPA funds may be used as the required local match for state and federal grants that otherwise the community might not be eligible to apply.

#5 True or False: CPA creates jobs.

True. Local CPA projects create local construction and related jobs, along with new investments that eliminate blight and help maintain and improve the value of neighboring properties.

#6 True or False: Bonds can be issued against CPA revenues.

True. Future anticipated CPA revenues can be used to back up bonds for large local capital projects.

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#7 True or False: Those who can most afford it will pay the most for the CPA.

True. Because of the CPA surcharge is calculated after the first \$100,000 of residential and commercial and industrial property value is subtracted, properties with a higher assessed value will pay a larger CPA surcharge. In addition, qualifying low and moderate income senior homeowners and low income homeowners will be completely exempt from the CPA surcharge.

#8 True or False: Once a city adopts the CPA it can change its mind.

True. Any community can opt out of the CPA by a majority vote of the local electorate after five years. (However, none of the 155 communities that have adopted the CPA have chosen to repeal it.)

#9 True or False: CPA would cost New Bedford a lot of money to implement.

False. New Bedford could use up to 5% of annual CPA revenue to hire support staff to meet the administrative needs of the local Community Preservation Committee in implementing New Bedford's CPA program.

#10 True or False: CPA and 2 ½ overrides are really the same.

False. While both increase property taxes, CPA brings new money into our city while an override only allows us to tax ourselves at a higher rate. Also CPA surcharges can be easily reduced and voters can choose to opt out of the program after 5 years, while 2 ½ overrides are difficult to reverse. The amount of the CPA surcharge is generally small-to-moderate compared to increases resulting from 2 ½ overrides.

#11 True or False: Someone else decides how CPA money is spent.

False. City Council must approve all CPA expenditures. New Bedford would create a Community Preservation Committee with representatives from city boards and appointed or elected at-large members drawn from the public. This Committee would be charged with reviewing proposals and forwarding project recommendations to the Council each year, and all meetings would be open to the public.

#12 True or False. If New Bedford adopted CPA last year, then we would have well over \$1 million to spend to fix our playgrounds, ball parks and trails, create new community gardens, parks and open space, rehabilitate valuable historic structures and documents, and restore affordable homes to revitalize neighborhoods.

True. With a 1.5% CPA surcharge, the first \$100,000 exemption for residential and commercial properties, and the annual CPA state match, New Bedford could potentially bring in over \$1 million a year. The funds could be used to fund a multitude of local projects, as long as a minimum of 10% of the city's annual CPA revenues were spent or set aside for open space and recreation; 10% for historic resources; and 10% for community housing each year.