

**Amanda Linehan**  
Metropolitan Area Planning Council  
617-451-2770 x2030

**Doug Pizzi**  
Community Preservation Coalition  
508-251-2599; Cell 508-314-7988

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## **CPA BILL CLEARS MAJOR LEGISLATIVE HURDLE**

### ***Legislation would shore up community preservation funds for municipalities***

BOSTON – A key bill that would help cities and towns make the most of Community Preservation Act funds has just cleared a major hurdle, after a joint legislative committee recommended the bill be approved when the Legislature reconvenes in January.

The state Legislature’s Joint Committee on Community Development and Small Business recommended that the full Legislature approve Senate Bill 90, *An Act to Sustain Community Preservation*. The positive recommendation clears the way for the House Committee on Ways and Means to take up the bill when the Legislature returns from its holiday recess.

The bill amends the CPA, which was passed in 2000, by making it more responsive to the 142 communities that have already adopted it, and by making the CPA more attractive to those municipalities now considering it.

The CPA allows communities to assess a property tax surcharge of up to 3 percent, with various local exemptions tailored to community preference. The locally-raised money is then matched by a statewide trust fund derived from \$10 to \$20 fees assessed on real estate transactions filed at the county registries of deeds.

Until last year, the trust fund was able to match locally raised funds dollar for dollar. But as more communities passed the CPA and real estate transactions slowed down, the match plummeted – reaching an average low of 40 percent last year. The base match is likely to drop to 28 percent next year, according to the state Department of Revenue, which administers the matching fund, and the current law allows the match to drop as low as 5 percent.

Senate Bill 90 would set a minimum annual trust fund match of 75 percent for locally-raised money. It would also make joining CPA easier for larger cities and less-affluent communities.

“Unless the Legislature acts, you’ll see less open space being protected, historic buildings continuing to deteriorate, and fewer opportunities for people to have homes they can afford,” said Stuart Saginor, Executive Director of the statewide Community Preservation Coalition (CPC). “The bill has great benefits for CPA communities to address pressing needs.”

The bill would also allow communities that adopt CPA with at least a 1 percent surcharge on real property to supplement their locally-raised money with funds from other sources, such as the meals tax, thus qualifying for a larger match (up to the 3 percent limit).

“The uncertainty of the match has really given many communities pause in considering whether to adopt CPA, though they understand how valuable a tool it can be in preserving affordable housing, historic places and open space,” said Marc Draisen, Executive Director of the Metropolitan Area Planning Council (MAPC). “This bill offers cities and towns some more flexibility and assurance, and could make the difference in whether or not we see widespread continued support of the Act.”

Another key facet of the bill would allow communities to use their CPA funds for capital improvements to outdoor recreation facilities not originally purchased with CPA money, something the law currently forbids. This rule has been a roadblock for many urban areas that have adopted or considered the CPA.

“The committee felt that making the CPA more responsive to urban communities would be helpful to those that have adopted it, and those that may like to,” said state Rep. Linda Dorcena Forry, House Chair of Community Development and Small Business.

The bill’s 75 percent minimum annual match from the trust fund would be funded by increasing the CPA fee at the registries of deeds, a fee not adjusted since CPA’s creation nine years ago. Even at the new level, the CPA fee on a basic real estate transaction file would represent just .045 percent of the cost of the average \$305,000 home sale.

A guaranteed minimum match gives municipal governments a dedicated source of funds that can be used to meet specific municipal needs, say bill supporters.

“Stabilizing the matching fund is in the best interest of the entire CPA program, so communities can count on some certainty in the match from year to year,” said state Sen. Michael O. Moore, Senate Chair of Community Development and Small Business.

Especially in a tough economy, CPA helps municipalities balance funding among open space, housing and historic preservation as needed, and reduces the financial competition with other community needs such as fire, police, schools, maintenance and public works. CPA remains one of the few ways communities can pay for allowable capital improvements without overriding Proposition 2½ or passing a debt exclusion.

The bill is sponsored by state Sen. Cynthia Stone Creem and state Rep. Stephen Kulik, and has 81 additional co-sponsors from both legislative houses. More than 75 housing, environmental and historic preservation organizations representing thousands of people also support the bill.

“We are very appreciative of the leadership shown by the committee chairs and by the sponsors of this legislation,” said Saginor.

Since being signed into law in late 2000, CPA municipalities have preserved 11,377 acres of open space, including important wetland resources. CPA funds have also helped create or rehabilitate more than 3,000 affordable housing units and programs, and funding for at least 1,600 historic preservation projects and 550 outdoor recreation projects has been approved under the program.

For more information about the CPA, visit [www.communitypreservation.org](http://www.communitypreservation.org).