



Guest View: Legislature should improve community preservation for cities

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It's time for Bay State lawmakers to update the Community Preservation Act. Celebrating its 10th year, CPA should be amended to help cities address long-term capital needs.

The Legislature can use the remaining six months of its two-year session to provide additional financial assistance through CPA to cities already experiencing an inequitable distribution of local aid. And this can be done now without spending a dime from the state budget.

A recent UMass/Federal Reserve Bank of Boston report finds that state local aid distribution does not target cities, where the need is greatest. The distribution formula does not recognize the "municipal gap" of the cost of providing services (high for cities) and the capacity to raise revenue (low for cities). Legislation has been filed to re-write the local aid distribution formula, but passing it could be years away.

Another form of local aid the Legislature can help with right now is additional assistance provided by CPA. Like local aid, however, it too misses the mark when it comes to helping cities.

CPA affords participating municipalities the opportunity to make critical investments in community housing, historic preservation, recreation and open space. Municipalities that participate apply a surcharge of up to 3 percent on property tax bills to establish a local CPA fund, making them eligible for a distribution from the statewide CPA Trust Fund. The Trust Fund derives its revenue from a small surcharge applied to registry of deeds transactions statewide. This trust fund distribution is a form of additional local aid and an incentive for municipal adoption.

One of the beauties (and successes) of CPA is that adoption is a local decision through a local vote. To date, 148 municipalities — 42 percent of Massachusetts cities and towns — have voted to invest in their communities by adopting CPA. But only 16 of 52 cities

participate and most of them are small and relatively well-off. Lowell, Lawrence, Haverhill, New Bedford, Fall River, Worcester, Springfield, Chelsea, Everett, Malden, Revere, Lynn and Winthrop are not CPA communities.

The Legislature has the chance to make CPA work for more cities by making a number of legislative changes to the program. The Metropolitan Area Planning Council's coalition of mayors helped craft legislative language to make CPA more attractive for their communities.

The most important change would be to increase CPA surcharge at the registries of deeds, thereby providing a higher return on investment for cities that choose to adopt CPA. Another issue for cities is that CPA does not allow funding to be spent on existing recreational assets unless they were acquired or created with CPA funds. Older cities have little open space to acquire, but own many aging and worn out parks. The proposed amendments to CPA would allow cities the option to rehabilitate those existing municipal parks and recreational facilities.

The amendments would also provide cities with flexibility in how they fund their local CPA participation. Cities could levy a minimal 1 percent property tax surcharge and then dedicate other existing municipal revenue such as hotel and motel excise taxes, meals taxes and development fees to generate a larger distribution from the statewide CPA Trust Fund.

CPA allows communities to adopt an exemption to the local surcharge for low-income homeowners, seniors and people receiving property tax abatements. It is not enough. The Legislature should provide an additional incentive of a CPA exemption for the first \$100,000 of value for commercial and industrial properties. This exemption would help job-generating small businesses, especially in urban areas.

CPA has protected 15,000 acres of open space, preserved thousands of historic properties and supported more than 5,000 affordable housing units across the commonwealth. As a result, it has provided thousands of construction-related jobs and generated millions of dollars in revenue for local governments. The Legislature should update the Community Preservation Act and give cities a chance to more fully participate in the economic growth, job generation and additional local aid.