

June 7, 2012

The Honorable Stephen Brewer, Chairman  
Senate Committee on Ways and Means  
The State House, Room 212  
Boston, MA 02133

*Re: Conference Committee for FY2013 State Operating Budget (Community Preservation Act Funding Sections)*

Dear Chairman Brewer:

On behalf of the Community Preservation Coalition, thank you very much for your support of a new source of funding for the Community Preservation Act (CPA) in the FY13 state operating budget.

We are writing to respectfully request that you support the outside sections related to funding for Community Preservation included in both the House of Representatives and Senate engrossed versions of the budget during your Conference Committee deliberations on the FY 2013 state operating budget.

As you know, the House budget includes an annual transfer of \$25 million from the state's end-of-year budget surplus into the CPA Trust Fund beginning in the fall of 2013, while the Senate budget includes a one-time transfer of \$5 million into the Trust Fund in July of 2012. By approving these two funding sources, the legislature would provide an excellent plan to put the statewide Community Preservation Trust Fund back on solid footing.

**Background:** The Community Preservation Act has been one of the most successful local-option laws ever passed in Massachusetts, adopted by voters in 148 Massachusetts communities, or 42% of the state's municipalities. CPA is the most effective way for communities to invest in affordable housing, rehabilitate historic buildings, create new parks, playgrounds and athletic fields, and preserve open space. CPA strengthens local communities, while at the same time contributing hundreds of millions of dollars to the state and local economies in jobs, taxes, tourism, and other revenue.

**Benefits of passing both the House and Senate revenue sources for CPA:** Providing \$5 million in immediate funding for the CPA Trust Fund, and \$25 million each year thereafter will have tremendous benefits for the Commonwealth, including:

- Creating much-needed jobs, as communities apply their CPA funds to developing new affordable housing, rehabilitating historic municipal buildings and other sites important to tourism, and creating new parks, playgrounds, and outdoor recreational areas.

- Encouraging more cities to participate in CPA. The declining CPA Trust Fund has greatly weakened the incentive to pass the Act, making it difficult for many communities that could greatly benefit from the CPA program to adopt it.
- Providing the confidence necessary for existing CPA communities to continue investing in the program and their communities, rather than reducing or eliminating their participation due to reduced matching funds.
- Reducing the CPA Trust Fund's sole reliance on Registry of Deeds fees for revenue, and providing a second revenue stream to support municipalities.

### **Fiscal Analysis:**

#### **House Budget Proposal (\$25 million per year from the state budget surplus beginning in October 2013):**

This funding would increase the first-round CPA Trust Fund distribution to the 42% to 44% range in the fall of 2013, and help to sustain a strong CPA Trust Fund for each year thereafter. Our analysis of net consolidated surplus available after required transfers indicates that between 2000 and 2011, with the exception of 2002 and 2008, there were enough funds available to provide the \$25 million transfer. Providing a steady revenue stream to bolster the dwindling CPA Trust Fund is critical to the long-term stability and success of the program.

#### **Senate Budget Proposal (\$5 million added to Trust Fund on July 1, 2012):**

This funding would be distributed to municipalities in October of 2012. It would provide a one-time increase in the CPA Trust Fund distribution, from the 22% first-round match now projected by the Department of Revenue to an estimated 27%. A one-time boost in the Trust Fund will help communities immediately, increasing the dollars available for CPA projects across the state next year, while providing some associated jobs as the projects are implemented.

Passing the CPA legislation without an adequate level of funding would accelerate the decline in the CPA Trust Fund distribution for municipalities, placing the future of this popular program in jeopardy.

For all the above reasons, we strongly urge the committee to include in its conference committee report the CPA funding appearing in both the House and Senate engrossed versions of the budget. Such action will signal the Legislature's continued commitment to this successful smart growth program, create additional opportunities for jobs and economic development, and allow communities to better plan for their community preservation investments.

Please feel free to contact us for further information, and we thank you for your time and consideration.

Sincerely,



Stuart Saginor  
Executive Director  
Community Preservation Coalition



Clarissa Rowe  
Chair, Steering Committee  
Community Preservation Coalition



Sean Caron  
Citizens' Housing and Planning Association



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Tom Callahan  
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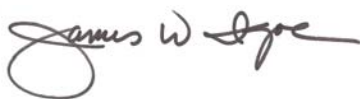
Marc Draisen  
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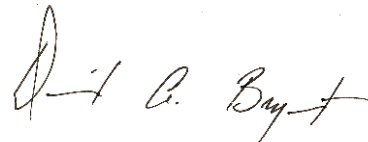
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