

An Act to Sustain Community Preservation (HB 765)

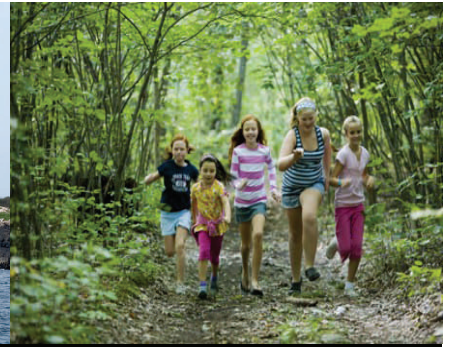


Legislation to stabilize and strengthen the Massachusetts Community Preservation Act, endorsed by:

American Farmland Trust
Appalachian Mountain Club
Citizens' Housing and Planning Association
Environmental League of Massachusetts
Historic New England
Massachusetts Affordable Housing Alliance
Metropolitan Area Planning Council
Mass. Association of Community
Development Corporations
Mass. Assoc. of Conservation Commissions
Mass Audubon

Massachusetts Land Trust Coalition
Mass. League of Environmental Voters
Massachusetts Municipal Association
Mass. Recreation and Park Association
Massachusetts Smart Growth Alliance
Neighborhood of Affordable Housing
Preservation Massachusetts
The National Trust for Historic Preservation
The Nature Conservancy
The Trust for Public Land
The Trustees of Reservations
. . .and many more across the state





Summary of An Act to Sustain Community Preservation

In addition to a number of technical corrections, this bill has three main components:

1. Ensure Lasting Success of the Community Preservation Act (CPA)

The bill would provide an annual minimum distribution from the CPA Trust Fund equal to 75% of locally raised CPA revenues. The trust fund is comprised of per-filing recording fees collected at the state's registries of deeds, which would increase from the current fixed rate of \$20 to a sliding scale capped at \$50. From 2001 to 2007, each CPA community received a distribution from the CPA Trust Fund equal to 100% of its locally raised revenue. Beginning in October 2008 however, the CPA Trust Fund could not sustain the 100% match due to the popularity of the program and reduced real estate activity. The distribution rate fell to 67% for many communities in 2008, and has declined each year since, to a projected 25% in 2011.

2. Broaden CPA Participation

While 147 communities currently participate in CPA (42% of the Commonwealth), many cities and less affluent communities have yet to adopt the Act. This bill would allow communities to combine a traditional 1% CPA property tax surcharge with up to 2% of other municipal revenue in order to fund their local Community Preservation account. This alternate method of adoption relies less on the local property tax surcharge to raise revenue and provides a higher level of matching funds from the statewide CPA Trust Fund, which will spur more CPA adoption in urban communities.

Furthermore, the bill adds a new optional exemption for the first \$100,000 of property value for commercial and industrial properties, mirroring the current optional \$100,000 residential exemption. This new exemption is especially beneficial to small businesses.

3. Clarify Allowable Uses to Promote Sustainable Communities

The bill would clarify the allowable uses of CPA funds so that communities can rehabilitate existing outdoor parks and other recreational resources. Currently, rehabilitation projects are restricted to recreational resources that were acquired or created with CPA funds. This has been extremely limiting in many communities, including larger, urban communities with less open space to protect but many older parks in need of capital rehabilitation. This change would mirror a legislative amendment made in 2002 allowing CPA funds to be devoted to rehabilitation of historic assets not acquired under CPA.

Legislative Support

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The Community Preservation Act (CPA)

- 147 communities have adopted CPA (42% of the Commonwealth's cities and towns)
- Over \$925 million has been invested to date in community preservation projects
- 4,230 affordable housing units have been created or rehabilitated
- More than 13,300 acres of open space have been preserved
- Over 2,000 appropriations have been made for historic preservation projects
- More than 600 outdoor recreation projects have been initiated

CPA is an innovative state law, passed in 2000, that allows an adopting community to establish a dedicated local fund to support affordable housing, create new parks, playgrounds, and recreational fields, protect open space, and preserve historic buildings and resources.

Adopting communities add a surcharge of up to 3% to municipal property taxes to raise money locally. A statewide, dedicated CPA Trust Fund distributes annual matching funds of up to 100% of the CPA revenues raised locally by these communities. Fees on filings at the state's registries of deeds fund the CPA Trust Fund.

The local legislative body must vote to adopt CPA, followed by a majority vote at a local ballot election. An alternate route to adoption is through the initiative petition process; certified signatures of 5% of the registered voters are required to put the measure on the local ballot.

CPA is unique and cost effective because of the partnership it creates between the Commonwealth and its municipalities. By matching locally raised revenues with funding from the statewide CPA Trust Fund, CPA has strengthened local action in core Commonwealth priority areas: affordable housing, open space preservation and natural resource protection, active outdoor recreation, and historic preservation. Without continued state support of this program, municipal initiatives to advance these critical Commonwealth interests will diminish.



The Community Preservation Coalition is a non-profit, membership organization that provides technical assistance and guidance to communities adopting or implementing CPA

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