

BAKER OPEN TO FEE HIKE TO BOOST STATE CPA MATCH

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STATE HOUSE, BOSTON, NOV. 16, 2018.....As cities and towns participating in a program that provides state funds to support affordable housing and open space preservation watch the state's contribution dwindle, Community Preservation Act advocates have fresh hope that Gov. Charlie Baker supports a fix.

Almost two decades since the passage of the Community Preservation Act, about half of the communities in Massachusetts have opted into the program. The communities in the program have agreed to impose a surcharge on local property taxes with the promise of a state match to preserve open space, renovate historic buildings and parks and to build new playgrounds and athletic fields.

The state matching funds are derived from a \$20 fee assessed on certain real estate transactions through registries of deeds. The fee structure and match rate formula have not been changed since the CPA went into law in 2000 and as more communities adopt the CPA, each town's share of the pie becomes smaller.

When Gov. Paul Cellucci signed the CPA into law in 2000, the idea was to have the state match 100 percent of what each municipality raised by its property tax surcharge. That happened for the first six years, but the partnership has become more one-sided in the last decade-plus.

If not for a late infusion of \$10 million in surplus funds in a supplemental budget bill last month, the state would have matched a record low 14 percent of what CPA communities took in via their assessments, the Community Preservation Coalition said. With the extra \$10 million, the state's match will actually be about 19 percent for fiscal year 2019, representing a small increase over the roughly 17.2 percent match last year.

"Since 2007, CPA advocates have proposed an increase to the \$20 recording fee, but each year that legislation has stalled," Tom Callahan, executive director of the Massachusetts Affordable Housing Alliance and a Community Preservation Coalition member, said. "Relying on occasional budget surplus money is not the answer. The only lasting solution is to adjust the ongoing funding source."

Though previous efforts to change the Community Preservation Trust Fund funding formula have failed -- lawmakers have instead tried at times to divert money from that trust fund to other purposes -- advocates have new hope based on comments Gov. Charlie Baker recently made on the campaign trail when asked about raising the deeds fee to ensure every CPA community could receive at least a 50 percent match.

"Eighteen years is a long time. It's obvious that there needs to be an adjustment made," Baker [said](#) at a Massachusetts Association of Community Development Corporations convention in October in response to a question about the CPA funding formula. "We would support that mechanism being increased, and I'm assuming it will probably be taken up again in the legislative session and if we happen to be in office and it does get taken up, we would support it and we would sign it."

This year, about \$33.6 million from the CPA Trust Fund will be shared among [172 cities and towns](#), including Boston for the first time. Municipal shares range from \$650 for Gosnold to \$3,612,857 for Boston, according to the Community Preservation Coalition.

"I am thrilled to see more and more communities across the state prioritize investment in affordable housing, open space and recreation, and historic preservation projects by adopting CPA," Somerville Mayor Joseph Curtatone, chairman of the Metro Mayors Coalition, said. "But cities and towns face increasing challenges funding important projects as the state match continues to decline."

Last year, the Joint Committee on Revenue gave a favorable report to a bill (H 3662) that would raise the Registry of Deeds filing fees that feed the trust fund to a level sufficient to ensure all CPA communities will receive a state match of at least 50 percent in their first round distribution each year.

That bill has been in the House Ways and Means Committee since May 2017.

"While the Legislature deserves credit for their efforts to update state law over the past few years, we cannot wait any longer," Curtatone said. "It's time to address the dramatic reduction in the state matching funds."

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