



10 Milk Street, Suite 810
Boston, MA 02108
Phone: 617-367-8998
Fax: 617-367-9885

October 16, 2014

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

RE: Funding for the Community Preservation Act (CPA) from the FY14 State Budget Surplus

Dear Chairman Brewer:

As you know, close to half of the cities and towns in Massachusetts now rely on annual matching distributions from the statewide Community Preservation Trust Fund to complete important affordable housing, recreation, historic preservation and open space projects.

As was done last year, the legislature allocated \$25 million to the Community Preservation Trust Fund from the state's FY14 consolidated net surplus. As you determine the amount of the final FY14 supplemental spending bill, we wanted to alert you to the heightened importance of making sure the \$25 million is available for CPA this year.

The CPA Trust Fund's primary source of revenue is fees collected at the Registries of Deeds, but collections have experienced a steep and unprecedented decline this year. **With only two months of collections yet to be received, the trust fund is down 27.5% from the previous year, a decline of over \$7 million.** As a result, if the \$25 million transfer from the surplus is not available, we estimate that the base distribution to all 155 CPA communities will plummet from last year's 52% to below 20% this year.

This year's revenue level for the trust fund is the lowest in the history of the CPA program. Even though housing prices have stabilized or rebounded in much of Massachusetts, the volume of transactions for both home sales and refinancing is very low, leading to the sharp decline in CPA Trust Fund revenue. Without the \$25 million from the surplus, the distribution is likely to be even lower than Department of Revenue estimates provided to communities last March. This means all 155 communities could receive news of a last minute, unexpected shortfall at the end of this month. A chart showing the decline in CPA Trust Fund revenue is attached.

On behalf of the 155 CPA communities, we respectfully request that the legislature pass a final FY14 spending bill that allows for the full \$25 million to be transferred from the FY14 consolidated net surplus to the CPA Trust Fund. Communities are relying on this revenue to help complete hundreds of job-producing community preservation projects.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Saginor". The signature is fluid and cursive, with the first name "Stuart" being more prominent than the last name "Saginor".

Stuart Saginor,
Executive Director,
Community Preservation Coalition

Encl: CPA Trust Fund Revenue Collections

Cc: Senate President Therese Murray
Senator Stanley C. Rosenberg
Senator Sal DiDomenico
Senator Michael Rodrigues
Senator Cynthia Stone Creem